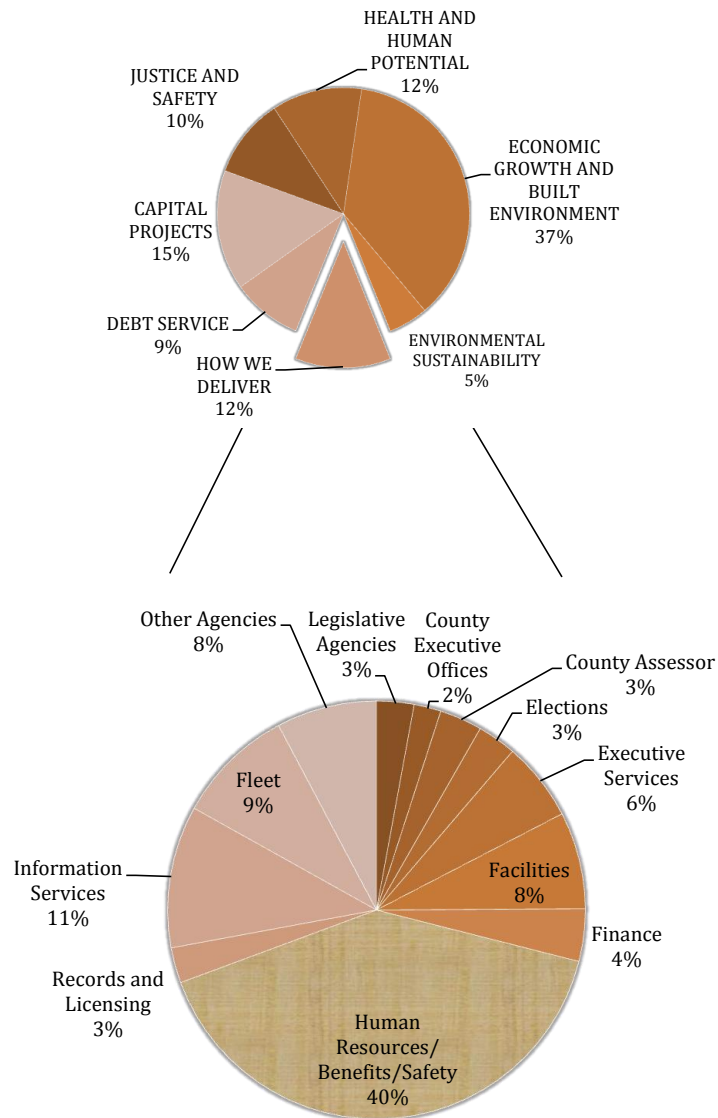


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HOW WE DELIVER

# How We Deliver



**Organization of the Pie Chart:** The following agencies were combined to make the pie chart more readable.

**County Executive Offices,** includes Executive, Office of the Executive, Performance, Strategy and Budget and Office of Labor Relations.

**Executive Services,** includes DES Administration, Risk Management, Business Resource Center, and DES Equipment Replacement.

**Facilities,** includes Facilities Management and Real Estate Services.

**Human Resources/ Benefits/Safety,** includes Human Resources, Safety and Claims, and Benefits.

**Information Services,** includes KCIT Strategy and Performance, Cable Communications, Geographic Information Services, I-NET Operations, KCIT Services, and Telecommunications.

# *INTRODUCTION*

The King County Strategic Plan includes two types of goals: (1) “what” goals that articulate the results King County strives to provide to the public, and (2) “how” goals that articulate the methods by which King County intends to improve its provision of services. Both are essential to the successful delivery of products and services to King County’s customers.

In many ways the “how” goals are the transformational part of the King County Strategic Plan. In particular, “how” goals set forth the standards and expectations as to King County’s pursuit of performance, professionalism, and efficiency. They articulate how the County intends to change the ways it does business including “establishing policies regarding the use and long-term health of financial reserves” to “creating single points-of-contact for residents, clients and other partners.” These goal areas – Service Excellence, Financial Stewardship, Public Engagement and Quality Workforce – require new, creative thinking; implementation requires a higher level of countywide coordination and partnership; and commitment to these goals must run from the most senior leadership to frontline service delivery staff.

While all County programs are utilizing the how goals to drive improvement in their service areas, the departments and offices traditionally identified as general government are especially important to the advancement of the how goals. These departments and offices provide major administrative and central support services for King County government, such as human resources and procurement services. Excellent work associated with managing financial assets, developing employees, providing the public with choices, and utilizing technology to become more efficient is already happening in these agencies, divisions and units. Their 2012 budget decisions are described in this chapter.

Additionally, cross-departmental teams have been meeting since May of 2011 to inventory current efforts and develop countywide work plans for the future. While not exhaustive, the goal-level overviews below will describe some of that important work. It is only by maximizing all of these efforts and continuing to work together that the County will be able to truly transform “how” it does business.

## **Service Excellence**

The Service Excellence goal of the King County Strategic Plan is to establish a culture of customer service and deliver services that are responsive to community needs. This requires insight into the people who receive County services – to understand what they want, need, and expect. By achieving this goal, King County fulfills a basic promise to its customers and builds trust in County government.

To achieve this goal, the Service Excellence team is developing a work plan to build a culture of performance and continuous improvement, leading to improved customer satisfaction across County services. Early action items include new Human Resource protocols for addressing customer service, and new standards in customer service training. The team also recommends widespread application of the “Lean” approach – adapted from the private sector – to improving agency business processes throughout the County.

## **HOW WE DELIVER**

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The 2012 Proposed Budget includes resources to advance Service Excellence as illustrated in the following examples:

- Executive Branch information technology services and support are consolidated into one department; King County Information Technology (KCIT). This consolidation will provide a foundation for greater standardization, faster IT service delivery and responsiveness to customer needs.
- Performance, Strategy, and Budget will establish a continuous improvement team to support all County agencies in developing and implementing continuous improvement. The team will leverage a small number of highly skilled staff to create a common framework and develop countywide capacity to an ongoing process improvement program based on the “Lean” methodology.
- In 2012 the Records and Licensing Services (RALS) Division Electronic Records Management System will provide all County agencies with the technical tools and business processes to manage their electronic records in a single, common system. The system ties records to specific retention schedules and provides for effective management of retention cycles.

### **Financial Stewardship**

The objective of the financial stewardship goal of the Strategic Plan is to reduce the cost of County services, make those services sustainable, and ultimately deliver clear fiscal choices to elected officials and the public. In order to achieve this vision, the financial stewardship team is developing a work plan that will ultimately define, track, benchmark, and analyze the cost components of all county services, as well as determine how best to leverage tools such as the new budget and performance management systems for managers to track the long term fiscal health of the services their organizations provide. With these tools in place, all departments will be able work towards lowering cost growth while ensuring that the current levels of service are sustainable, even during an economic downturn.

In addition to leveraging the use of technology and data, initial discussions touched on themes of increased clarity, focus, and effectiveness of internal services, as well as increased regionalization and centralization of services delivered to the public. A few specific work plan deliverables, such as clearly articulated fund balance and reserve policies that can be applied across all County functions, have already been identified. Another major focal point will be the need for more collaboration, not just between County departments but also with other jurisdictions within King County. Additional collaboration will reduce redundancies, increase the opportunity for countywide cost savings, and ultimately deliver public services in a more streamlined manner.

The financial stewardship team believes that the combination of better tools and technology to track costs and analyze data, a shift in how the County approaches certain types of internal services and renewed regionalization and collaboration will lead to sustainable service levels.

Several examples of initiatives that advance the County’s Financial Stewardship goal in the 2012 Proposed Budget are outlined below:

- The Department of Assessments will establish a Personal Property Audit Team (PPAT). The team will leverage technology to identify commercial tax payers that may not be paying self-reported personal property taxes and educate taxpayers about tax compliance. This program promotes equity and fairness by ensuring that like businesses pay taxes equally. Increases in revenue collection contribute to King County and local jurisdictions’ fiscal strength.

## **HOW WE DELIVER**

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- The Facilities Management Division is collaborating with County agencies to consolidate space in County-owned buildings. In the short-term this effort improves efficiency through lower operating and maintenance costs. In the longer term the effort is positioning the County to divest surplus space.
- The Human Resource Division Safety and Worker's Compensation and Employee Benefits units have made significant progress in keeping the County's cost of doing business down through proactive measures that have resulted in rates well below original forecasts. The Employee Benefits fund will rebate the entire 2011 rate increase to County agencies and implement a 2012 rate increase only 8 percent above the 2010 level. The Safety and Claims fund rates result in total collections 6.2 percent lower in 2012 than in 2011.

### **Public Engagement**

The objective of the public engagement goal of the Strategic Plan is to expand opportunities to seek input, listen, and respond to residents, empower county residents to play an active role in shaping their future, and improve public awareness of what King County does. In order to achieve this vision, the public engagement team is developing a work plan that will ultimately create guidelines and standards for public engagement and education for use by all County agencies, create a countywide plan to coordinate communication across different lines of County business, and design public outreach so as to better communicate who the County is, and what it does. With these tools in place, all departments will have what they need to engage County residents in meaningful ways.

Presently the team is exploring the potential development of a public engagement guide to be used by County agencies to improve, standardize and enhance interactions with County residents.

Public engagement is a two-way exchange of information, ideas and resources. Engagement activities include a range of approaches from informing residents to community-led efforts. Effective engagement removes barriers for communities that may have previously prevented residents from successfully working with County government. The public engagement team is focused on providing opportunities for residents to express their views and have a meaningful role in decision-making.

Several 2012 initiatives that advance the County's Public Engagement goals follow:

- The Department of Assessments is working with the Board of Equalization to provide access for filing property tax appeals online. The project will enhance the information available to taxpayers and streamline appeals processing. The implementation will allow business changes that will improve the timeliness of response to citizen appeals.
- Elections continues its work in voter outreach and education and will support additional language translations on both their website and in printed materials.
- KCIT will implement several eGovernment projects including; a redesign of the King County website to be service focused; enhancement of public alert capabilities; and provision of public criminal case information.

### **Quality Workforce**

The Quality Workforce goal of the King County Strategic Plan is to develop and empower King County government's most valuable asset, its employees. This goal identifies three different objectives that enable the County to build and foster a culture of empowering employees: attracting a highly talented pool of potential employees, developing and retaining quality employees currently at the County, and utilizing employees in their jobs to use their talents and skills efficiently, effectively and productively. By investing and cultivating in King County employees as assets throughout the time of their employment, King County in turn will receive a strong and well resourced work force to do the work identified throughout the rest of Strategic Plan.

In order to achieve this goal, the Quality Workforce team is developing a work plan to provide programs, resources, and best practices to cultivate a culture of quality workforce throughout the County. Engaging a quality workforce is the responsibility of all members of the County, from hiring managers to supervisors to employees. Everyone should have roles and expectations regarding how they can contribute to building and sustaining a quality workforce within the County. The Quality Workforce team has already identified significant gaps in training, career growth, and professional development at the County. Early action items in the work plan include developing training for core leadership competencies, creating resources and expectations for promoting career growth for individual employees, and promoting the tools of continuous improvement to departments to enable greater employee collaboration.

The 2012 Proposed Budget includes proposals to advance Quality Workforce goals in as illustrated in the following examples:

- RALS will improve efficiency by using Lean principles. In 2011, during a weeklong workshop on the vehicle/vessel mail renewal process, the licensing team identified multiple barriers, redundancies and technology gaps in the process. In 2012 the division will replace outdated equipment that will increase check processing efficiency, reduce processing time, increase accuracy and accountability and generate time savings to be reinvested back into production
- The Department of Assessments is engaged in a number of efforts that are intended to work in concert to give appraisers more time in the field. These efforts include: replacement of existing tablet computers with more up-to-date mobile devices with wireless connectivity, migration to a disbursed fleet vehicle model, and online appeals filing.
- The Human Resources Division will establish a new Employee Development and Training function. The unit will provide technical training for new County managers and supervisors and provide for countywide development of first-line supervisors and managers to prepare to become the next leaders in the government. Additionally soft skill training will be offered, including project management, conflict resolution, strategic financial management, personnel and performance management, and other skill development that future leaders require to aid in transforming their work sections.

## **HOW WE DELIVER**

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### **Internal Service Fund and Central Overhead Charges**

Internal service funds provide services primarily to other County agencies and funds. Their primary source of revenue is derived from charging other County agencies to recover the cost of services provided. The provision of these services in many respects shapes “how” the County provides services to the public.

The following is a brief summary of the major internal service rates and other centrally charged overhead rates.

**Business Resource Center (BRC)** – The Business Resource Center is the post-ABT organization that will continue with new feature development, defect fixes, and general software support of the new Hyperion budget system, PeopleSoft HCM, and Oracle Financials. The total service charges for the BRC will be \$12.5 million in 2012. This amount funds the first full year of operations of the BRC and includes the remaining transfer of positions and costs from both Finance and Business Operations Department (FBOD) and King County Information Technology (KCIT). Additionally, the BRC will be accumulating a reserve to pay for required software upgrades of HCM and Oracle Financials in 2015 and 2017 respectively. The reserve will be accumulated on an accrual basis rather than deferring the cost into future periods when there are fewer alternatives.

**Countywide Technology Projects Charge** – The KCIT capital funding rate was established in 2004 as a transfer to the KCIT Capital Fund. This rate provides for the allocation of costs to County agencies for KCIT managed countywide information technology projects. The rate is allocated based on the number of positions in the various appropriation units. In 2012, the total rate to be allocated is \$4,013,428. The amount allocated to the General Fund decreased slightly from 32 percent of the total to 31 percent. The projects funded with this rate in 2012 are a countywide upgrade to SharePoint and eGovernment projects.

**Employee Benefits** – King County has a flexible benefit package which offers employees several options for coverage and providers. The County is self-insured for medical, dental, and vision. All of the benefit costs are accounted for in the Employee Benefits Fund, which then recovers its costs through a monthly rate charged to agencies for each benefits-eligible employee.

The standard rate adopted in 2011 was \$1,343 per employee per month. Actuarial projections used during the setting of the 2011 rate proved to be conservative. Changes in plan design and actions taken by employees to improve their health led to significant cost savings. Updated claims data indicate lower than expected expenditures in 2010 and 2011, while revised actuarial forecasts show a lower rate of anticipated growth in the outyears. This has resulted in the entire 2011 flexrate increase being rebated to County agencies in the fourth quarter of 2011. The 2012 Benefits rate is set at \$1,290 per employee per month, an 8 percent increase from the 2011 effective rate. This comports with expectations of 8 percent growth in benefits costs in the outyears.

**Facilities Management Division Operations and Maintenance** – The Facilities Management Division (FMD) operations and maintenance (O&M) charges reflect the operational costs of the County general government buildings. This rate is assessed based on the square footage and location of space occupied by County agencies in FMD-operated buildings. The charges support countywide building operations and maintenance, including direct non-labor operating costs by building (utility charges and supplies), direct labor costs by building (custodial, maintenance, and security staff), pooled labor and non-labor O&M costs, craft workers (electricians, plumbers, etc), and FMD overhead.

## HOW WE DELIVER

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The 2012 O&M costs are impacted by the countywide space consolidation, including the phased move-out of the Yesler and Blackriver buildings along with closure of Public Health clinics, Sheriff Precincts, Aukeen District Court, and King County Airport space. The 2012 proposed tenant revenues have decreased by \$1.23 million (-3.4 percent) from the 2011 adopted level. This includes the impact of reduced square footage as well as changes in labor, utility, and other operating costs.

**Facilities Management Division Strategic Initiative Fee** -- The strategic initiative fee was adopted in 2009 as a method to fund the work done by FMD staff on the countywide space plan. In 2011 the scope of the fee was proposed to expand to cover the costs of the FMD energy manager position as well as the ongoing space planning effort. This energy manager is responsible for coordinating FMD's countywide energy program including energy saving proposals, grant applications, and utility company rebates. The 2012 budget proposes to increase the fee by \$21,800 (5.1 percent) in order to cover Space Planning activities formerly funded via the Real Estate Services General Fund appropriation.

**Fleet** – The Motor Pool Equipment Rental and Revolving (ER&R), Public Works ER&R and Wastewater ER&R rates are based on a full-cost recovery model. The rates charged to agencies are based on three factors: vehicle use, vehicle maintenance, and vehicle replacement. Fleet uses an industry standard model to determine the economically efficient time to replace a vehicle. This vehicle replacement model considers variables such as annual costs, resale or salvage value, and purchase price. The 2012 recovery rates are based on 2010 actual use. The agency has also implemented a number of cost-saving measures and conducts regular review of vehicle usage in order to keep costs down, and the 2012/2013 Proposed Biennial Budget reflects these reduced costs and increased efficiencies.

**Financial Services** – Financial services covers a broad array of activities including accounts payable, accounts receivable, payroll processing, benefits and retirement services, financial system operations, financial reporting, grants administration, procurement of goods and services as well as professional and construction contracts, and treasury functions. The treasury passes its costs to the General Fund and other County funds that levy property taxes. Finance rate charges to County agencies for 2012 have decreased 8.4 percent from 2011. The 2012 Finance rate includes a rebate of \$1.1 million. The rebate is composed of a reconciliation of 2010 actual cost of services with service levels provided to agencies. Finance negotiates service level agreements for many components of the services offered to client agencies.

**Furniture, Fixtures, and Equipment** – The equipment costs related to the occupancy of the Chinook Building are budgeted through the Furniture, Fixtures, and Equipment (FF&E) rate. As this rate recovers costs associated with fixed-level debt-service, it is unchanged from its 2011 Adopted level of \$305,360.

**General Fund (GF) Overhead** – The cost of several GF agencies that provide services countywide is recovered from non-GF agencies through the GF Overhead Plan. The GF agencies or services included in this plan are the County Council, County Executive Offices, Office of Performance, Strategy, and Budget, Human Resources, Emergency Management, Department of Executive Services (DES) Administration, State Auditor, the King County information line, bus pass subsidy, building occupancy charges, mail services, asset management services, membership and dues and records management services. The 2012 Proposed GF overhead cost recovery increased by \$1.6 million (3.0 percent) from 2011, totaling \$54.0 million. In 2012, the non-GF portion of the total cost pool increased by \$1.6 million (5.5 percent) from 2011, while the GF portion changed minimally. The 2012 GF overhead rate incorporates a true-up of cost pools between 2010 adopted and 2010 actual expenditures. This resulted in a \$1.2 million rebate to non-GF agencies, which is incorporated into the 2012 GF overhead rate.



**Geographic Information Systems** – The cost of providing Geographic Information System (GIS) services is billed to client agencies through the GIS Fund. The proposed 2012 GIS rate to County agencies increases about \$355,579 (8.0 percent) above 2011 adopted levels. The 2012 proposed GIS rates include budget increases anticipated as investments which will yield countywide savings or cost avoidance in future years, such as the ESRI GIS Enterprise License Agreement and the Regional GIS Aerial Imagery Acquisition. KCGIS rates support three business lines: Enterprise Operations, Client Services, and Matrix Staffing Services. Enterprise GIS Operations provide enterprise GIS infrastructure and operation services. Enterprise GIS Operations rates allocate costs to GIS user agencies based on actual usage metrics within each of six distinct GIS user communities (sponsor agencies, user agencies, desktop users, web mapping users, imagery users, and enterprise software users). The Enterprise GIS Operations funding model rates are reviewed annually with both the GIS Technical and Oversight Committees so that agencies can become familiar with and review their costs. Changes to the funding model itself are developed in consultation with the Oversight Committee. GIS Client Services meet the unique or unanticipated needs of county agencies and are funded by hourly rates set to recover allocated costs. Matrix GIS Staffing Services provide GIS staff for eight County divisions within DNRP, DOT, DDES, and Elections; funded by annual rates that recover allocated costs for the level of service requested by each agency.

**King County Information Technology (KCIT) Operating** – KCIT is responsible for functions within the office of the Chief Information Officer (CIO) including IT governance; strategic planning; the County's Information Security and Privacy Office; and KCIT's financial, administrative, human resources, and payroll functions. The 2012 charges decreased compared to 2011 adopted rates. This was achieved through various cost saving measures and operating efficiencies. In addition, the KCIT operating fund also provided a one-time rebate to be allocated to all County agencies.

**KCIT Radio Services** – Radio Communication Services (RCS) is an enterprise service fund that serves County agencies and organizations in other jurisdictions. Rates are set to recover the operation and infrastructure maintenance costs of the County's 800 MHz radio system and the cost associated with servicing and replacing radios used by agencies. An increase in radio personnel is proposed in 2012 to provide additional maintenance services requested by customers and to start working down a backlog of deferred maintenance both on radios and in the radio system. Other radio rates have decreased when compared to the 2011 adopted rates.

**KCIT Technology Services** – Technology Services is responsible for network services, County web infrastructure support, and enterprise services for all County agencies. This fund also provides customized services such as business application development and support; mainframe, server, and data base maintenance; backup services; and server hosting. The cost to operate and maintain enterprise infrastructure is allocated to agencies based on their number of employees. Enterprise services costs, including messaging, are allocated based on the number of agency mailboxes. Customized service charges are based on usage and service level agreements for the use of those custom services. Technology Services infrastructure charges for 2012 will include \$700,000 to annualize the debt payment for new King County data center and the IT reorganization. The Technology Services charges also include funding to allow the start of full countywide participation in the Microsoft Enterprise License agreement. Another significant change was the continuing reduction in the application development charges reflecting the transfer of resources to the DES Business Resource Center to maintain the Finance and Payroll functions upon the implementation of the ABT project. In addition, there were also reductions in management overhead and other cost savings measures. The biggest change this year for the Technology Services rate is the reorganization of \$33.6 million and 217.25 FTEs of departmental IT resources into a single KCIT department.

## HOW WE DELIVER

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**KCIT Telecommunications** – The Telecommunications overhead rate covers the cost of managing and monitoring the operations of the County’s telecommunications environment including the impact of moves, changes, new facilities, monitoring of vendor contracts, and other support services. The 2012 proposed charges for the overhead rate has decreased 10 percent compared to 2011 adopted rates as a result of reduction in voicemail maintenance and elimination of vendor service that were no longer needed. Overhead rates are allocated based on the number of agency phone lines. Another Telecom rate, which is for direct usage charges, is a pass-through for vendor cost managed by the Telecom group.

**Limited Tax General Obligation (LTGO) Debt Insurance** – King County issues LTGO bonds on behalf of many of the non-General Fund agencies. The full faith and credit of the County secures these bonds, which means that the County pledges to levy property taxes sufficient to provide the revenue necessary for the repayment of bonds. This assurance to bond holders, combined with the County’s high bond rating, results in lower interest rates charged to the non-General Funds. Lower interest rates result from the General Fund accepting a certain level of risk. The LTGO Debt Insurance charge calculated on remaining principal balance of new and existing debt ranges from 10 to 25 basis points, or half of the benefit. The total charge to be assessed is \$1,573,937, a \$13,072 increase from 2011 levels.

**Long Term Leases** – County agencies continue to occupy leased space outside of county-owned buildings, while debt service is also owed on the Chinook and King Street Buildings. The Long Term Lease rate recovers these costs. The 2012 Proposed Budget reflects the ongoing consolidation of space within County-owned buildings, resulting in a reduction of \$48,368 from the 2011 Adopted level.

**Major Maintenance** – County agencies occupying space in General Government buildings are billed for the Major Maintenance costs of each building. These costs vary by building and are influenced both by planned maintenance projects as well as the funding levels necessary to provide suitable fund balance for unplanned but necessary maintenance needs. The 2012 Proposed Budget reflects the ongoing consolidation of space, particularly the phased move-out of the Yesler and Blackriver Buildings, resulting in a reduction of \$130,662 (-4.8 percent) from the 2011 Adopted level.

**PAO Rate** – The Prosecuting Attorney’s Office central rate bills the County’s non-General Fund agencies for legal services provided to the agencies. These costs vary annually based on a workload factor, attorney compensation, legal support staff compensation, and overhead costs. To build its 2012 rate, the PAO determined the number of hours each attorney dedicated to each case in 2010 and then identified the agency responsible for each case. The projected 2012 costs were then allocated to client agencies based on the 2010 workload factor. The charges will be reconciled based on actuals in early 2013.

**PERS and LEOFF Retirement Rate** – The 2012 Proposed Budget reflects an employer contribution rate of 7.25 percent for PERS, and 5.24 percent for LEOFF II. The PERS rate is set by the Washington State Department of Retirement Services and is slightly higher than the rate included in the 2011 Adopted Budget, resulting in total expected retirement contributions of \$69.5 million.

**Risk Management** – The cost of risk, including insurance premiums, losses and loss adjustment expenses, is allocated to the operating agencies through the Insurance Internal Service Fund. The Office of Risk Management (ORM) funding requirements are determined annually by an actuary, and insurance charges are allocated based on agencies’ historic loss experience. The 2012 Proposed Budget reflects an overall increase in expenditures of \$6.8 million, or 27.7 percent from the 2011 Adopted Budget of \$24.7 million. The bulk of the increase is attributed to unprecedented 2010 losses, with correspondingly increased excess liability insurance premiums. In addition, a zero projected fund balance surplus and minimal projected interest earnings result in few resources to apply as credits to offset insurance charges. ORM continues an aggressive recovery effort as a revenue enhancement to County agencies. ORM works cooperatively with all County departments to aggressively pursue recovery from those who negligently damage County property or injure County employees. All monies recovered are returned to the agency that sustained the loss.

## HOW WE DELIVER

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**Safety and Claims Management** – The cost of worker’s compensation, including medical payments, time loss wages, disability benefits, excess insurance premiums, liability increases and state fees, are billed out to agencies through a rate based on the number of projected hours worked by employees. The rate is allocated across five risk classifications from field work to office work. Rates range from 2.29 percent for field and police classifications to 0.59 percent for semi-field positions and 0.25 percent for office classifications. These rates all represent reductions from the 2011 Adopted levels. County experience in workers compensation costs have been favorable and lower rates are expected to generate adequate revenue to cover ongoing claims costs. Total 2012 charges to County agencies are 6.2 percent lower than in 2011.

**Weapons Screening Rate** – The weapons screening rate reflects the Sheriff’s Office’s cost of providing security to County courthouses. The rate includes costs associated with County Marshals, Security Screeners, three sergeants, a detective, and half of a captain. Sheriff’s Office administrative overhead is not included in the rate. The 2012 Proposed Budget reflects rate changes associated with adding an on-call pool of security screeners, and re-allocating personnel costs based on the changing needs of courthouse security. The total weapons screening budget is \$5,659,769.

Use this page for notes.

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## Legislative Agencies

## LEGISLATIVE AGENCIES

### ***Mission:***

#### **Legislative**

The Metropolitan King County Council is the legislative branch of county government who sets policy, enacts laws, adopts the county budget, and exercises all legislative powers authorized under the King County Charter.

### ***OVERVIEW***

The Metropolitan King County Council is the legislative branch of county government. The County Council sets policy, enacts laws, adopts the County budget, and exercises all legislative powers authorized under the King County Charter. The nine members of the council are elected on a nonpartisan basis and serve four-year terms. Each councilmember represents the residents of one of nine unique geographic districts, responding to the needs of constituents in the County's urban, suburban, and rural areas. Furthermore, the duties of a King County Councilmember extend far beyond their visible attendance at

Council meetings in the Courthouse. State law requires them to serve on many governing boards in such critical areas as transportation, public health, criminal justice, and other quality of life issues that cross jurisdictional boundaries.

The Council also oversees several independent agencies in addition to its legislative duties. The operations of these agencies are described below:

**County Council Legislative Branch** - The legislative branch includes nine councilmembers directly supported by the Council Administration. The nine members also oversee independent agencies namely: Hearing Examiner, County Auditor's Office, Ombudsman Office and Tax Advisor Office, Board of Appeals/Equalization, and King County Television.

**Council Administration** - Council Administration includes the Council's central and administrative staff and the Clerk. Central staff develop and analyze proposed legislation, handle legal and policy issues, conduct long-term special studies, and provide for agency-level administrative and technical support.

The Clerk of the Council is responsible for processing legislation and other official county records, including preparation of council agendas and minutes. The Clerk of the Council also acts as the clerk to the King County Board of Health, the King County Ferry District, and the King County Flood Control District.

The 2012 budget will include Councilmember aides, previously budgeted within the County Council Legislative Branch.

**King County Civic Television** - King County Civic Television is the government access channel for King County, providing live and taped coverage of council meetings and public forums, King County news events, and original programming highlighting county issues and services.

**The Hearing Examiner** - The Hearing Examiner conducts quasi-judicial public hearings on land use applications and appeals of administrative orders and decisions; prepares reports of all hearings; and makes recommendations and decisions on these matters.

## HOW WE DELIVER

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**The County Auditor's Office** - The County Auditor's Office (KCAO) conducts audits and studies, provides capital project oversight (CPO), coordinates the countywide performance management work group and oversees a citizen engagement program to enhance performance, accountability, and transparency in County government. The office seeks to improve the delivery of County services and identify opportunities for cost savings.

KCAO has four program areas and receives funding from the General Fund, from the Citizen Councilor Network fund and from various funds associated with audits and capital project oversight.

**The Ombudsman-Tax Advisor Office** - The Ombudsman-Tax Advisor division investigates citizen complaints against most King County agencies, issues findings, and makes recommendations for resolution and improvements. These responsibilities include investigating alleged violations of the Employee Code of Ethics, the Lobbyist Disclosure Code, and employee complaints of improper governmental action and retaliation pursuant to the Whistleblower Protection Code. The Ombudsman's Office also provides the public with information, referrals, and direct assistance on jurisdictional and non-jurisdictional matters, and provides dispute resolution services in some cases. The Tax Advisor section answers inquiries about County real estate taxation, property valuations, and exemptions/deferrals; and advises and assists property owners considering a valuation appeal upon request.

**The Board of Appeals/Equalization** - The Board of Appeals/Equalization is an independent body comprised of seven citizen members organized to adjudicate property value and other determinations made by the King County Assessor, as well as various business license decisions and animal control orders.

**The Office of Law Enforcement Oversight** - The Office of Law Enforcement Oversight (OLEO) provides civilian oversight of the King County Sheriff's Office. OLEO is also intended to monitor ongoing investigations of misconduct, help resolve cases, implement methods for increasing the level of public trust and transparency and identify systemic issues within Sheriff's Office.

**Charter Review and Districting Committee** - The King County Charter requires the Council, every ten years, to appoint an independent, five-member districting committee to review the boundaries of each county council district. The Committee hires a districting master and staff to support its work. The Committee and the districting master must produce a proposed districting plan to the Committee by December 31, 2011. This appropriation is reduced to \$25,000 in 2012.

**2012 Proposed Budget for  
County Council 0010/0010**

<b>Code/ Item#</b>	<b>Description</b>	<b>Expenditures</b>	<b>FTEs *</b>	<b>TLTs</b>
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	2,390,220	18.00	0.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	(93,678)	0.00	0.00
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(11,448)	0.00	0.00
CR26	Retirement Rate Adjustment	3,977	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(972)	0.00	0.00
		<b>(8,443)</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA01	Transfer Council Aides to Council Administration	(690,640)	(9.00)	0.00
TA39	COLA Adjustment	(10,444)	0.00	0.00
		<b>(701,084)</b>	<b>(9.00)</b>	<b>0.00</b>
<b>2012 Proposed Budget</b>		<b>1,587,015</b>	<b>9.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.



### County Council

#### ***PROGRAM HIGHLIGHTS***

The 2012 Proposed Budget for County Council is \$1,587,015 with funding for 9.00 FTEs.

#### **Adjustments to 2011 Adopted Budget**

Adjustments were made to the 2011 Adopted budget to account for changes in annual operating costs. This results in a net reduction of (\$93,678) from the 2011 budget.

#### **Central Rate Changes**

**Central Rate Adjustments – (\$8,443).** This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in an \$8,443 decrease in charges to County Council. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

#### **Technical Adjustments**

**Transfer Council Aides to Council Administration – (\$690,640), (9.00) FTEs.** The 2011 Adopted Budget transferred all non-Councilmember staff to the Council Administration appropriation, except for Councilmember Aides. This technical adjustment transfers the nine remaining aides and corresponding budget authority to the Council Administration appropriation.

**COLA –(\$10,444).** The adjustment eliminates the Cost of Living Adjustment (COLA) set aside for the positions being transferred to the Council Administration appropriation.

**2012 Proposed Budget for  
Council Administration 0010/0020**

Code/ Item#	Description	Expenditures	FTEs *	TLTs
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	11,075,157	85.10	2.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	473,952	0.00	0.00
<b>Efficiency Reductions</b>				
ER44	Building Occupancy Efficiency Reduction	(76,121)	0.00	0.00
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(53,583)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(6,195)	0.00	0.00
CR08	Technology Services Infrastructure Charge	(1,004)	0.00	0.00
CR09	Geographic Information Systems Charge	(5,859)	0.00	0.00
CR10	KCIT Operations Charge/Rebate	7,112	0.00	0.00
CR11	Telecommunications Services	(21,565)	0.00	0.00
CR12	Telecommunications Overhead	(6,223)	0.00	0.00
CR13	Motor Pool Rate Adjustment	(1,242)	0.00	0.00
CR14	Facilities Management Space Charge	166,859	0.00	0.00
CR15	Insurance Charges	892	0.00	0.00
CR16	Radio Access	104	0.00	0.00
CR18	Radio Direct Charges	(205)	0.00	0.00
CR19	Radio Reserve Program	(347)	0.00	0.00
CR25	Financial Service Charges	8,218	0.00	0.00
CR26	Retirement Rate Adjustment	16,274	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(5,268)	0.00	0.00
CR37	Facilities Management Strategic Initiative	(91)	0.00	0.00
CR48	Business Resource Center	32,998	0.00	0.00
CR49	Weapons Screening	19,291	0.00	0.00
		<b>150,166</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA01	Transfer Council Aides to Council Administration	690,640	9.00	0.00
TA02	Salary Adjustment	103,888	0.00	0.00
TA39	COLA Adjustment	33,298	0.00	0.00
		<b>827,826</b>	<b>9.00</b>	<b>0.00</b>
<b>2012 Proposed Budget</b>		<b>12,450,980</b>	<b>94.10</b>	<b>2.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

### Council Administration

#### *PROGRAM HIGHLIGHTS*

The 2012 Proposed Budget for Council Administration is \$12,450,980 with funding for 94.1 FTEs.

#### **Adjustments to 2011 Adopted Budget**

Adjustments to the 2011 Adopted Budget were made to incorporate changes in operating costs. These adjustments result in a net increase of \$473,952 from the 2011 Adopted Budget.

#### **Efficiency Reductions**

**Building Occupancy Efficiency Reduction – (\$76,121).** In 2011, Council Administration, in collaboration with Facilities Management, has consolidated space and moved staff from the Yesler and Chinook Buildings to the department's existing footprint in the King County Courthouse. Occupied square footage has decreased by 5,175 square feet, which equates to a reduction of \$76,121 in Facilities operations and maintenance charges.

#### **Central Rate Changes**

**Central Rate Adjustments – \$150,166.** This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in a \$150,166 increase in charges to Council Administration. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

#### **Technical Adjustments**

**Transfer Council Aides from County Council -- \$690,640 / 9.00 FTEs.** The 2011 Adopted Budget transferred all non-Councilmember staff to the Council Administration appropriation, except for Councilmember Aides. This technical adjustment transfers the budget for the nine remaining aides to the Council Administration appropriation.

**Salary Adjustment - \$103,888.** This adjustment provides funding for retroactive pay adjustments for 2010 and 2011 for the represented Legislative Analysts in Council Administration.

**COLA – \$33,298.** The Cost of Living Adjustment (COLA) is calculated at 1.63 percent from 2011 Adopted based on the Office of Economic and Financial Analysis forecast.

**2012 Proposed Budget for  
Hearing Examiner 0010/0030**

<b>Code/ Item#</b>	<b>Description</b>	<b>Expenditures</b>	<b>FTEs *</b>	<b>TLTs</b>
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	558,696	4.00	0.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	23,948	0.00	0.00
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(1,908)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(14,319)	0.00	0.00
CR08	Technology Services Infrastructure Charge	(384)	0.00	0.00
CR10	KCIT Operations Charge/Rebate	114	0.00	0.00
CR13	Motor Pool Rate Adjustment	(433)	0.00	0.00
CR14	Facilities Management Space Charge	(17,649)	0.00	0.00
CR25	Financial Service Charges	8	0.00	0.00
CR26	Retirement Rate Adjustment	606	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(222)	0.00	0.00
CR37	Facilities Management Strategic Initiative	(30)	0.00	0.00
CR48	Business Resource Center	1,439	0.00	0.00
		<b>(32,778)</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA39	COLA Adjustment	(623)	0.00	0.00
<b>2012 Proposed Budget</b>		<b>549,243</b>	<b>4.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

## **Hearing Examiner**

### ***PROGRAM HIGHLIGHTS***

The 2012 Proposed Budget for Hearing Examiner is \$549,243 with funding for 4.00 FTEs.

#### **Adjustments to 2011 Adopted Budget**

Adjustments to the 2011 Adopted Budget were made to incorporate changes in operating costs. These adjustments result in a net increase of \$23,948 from the 2011 Adopted Budget.

#### **Central Rate Changes**

**Central Rate Adjustments – (\$32,778).** This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in a \$32,778 decrease in charges to Hearing Examiner. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

#### **Technical Adjustments**

**COLA – (\$623).** This amount reflects the change from the preliminary Office of Economic and Financial Analysis forecast for Cost of Living Adjustment (COLA), which was 1.77 percent, to the final 2012 COLA rate of 1.63 percent.

**2012 Proposed Budget for  
County Auditor 0010/0040**

<b>Code/ Item#</b>	<b>Description</b>	<b>Expenditures</b>	<b>FTEs *</b>	<b>TLTs</b>
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	1,530,258	16.90	2.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	112,698	0.00	0.00
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(10,176)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(218)	0.00	0.00
CR08	Technology Services Infrastructure Charge	1,612	0.00	0.00
CR10	KCIT Operations Charge/Rebate	1,484	0.00	0.00
CR11	Telecommunications Services	(164)	0.00	0.00
CR12	Telecommunications Overhead	(169)	0.00	0.00
CR25	Financial Service Charges	(1,378)	0.00	0.00
CR26	Retirement Rate Adjustment	3,742	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(928)	0.00	0.00
CR37	Facilities Management Strategic Initiative	89	0.00	0.00
CR48	Business Resource Center	5,377	0.00	0.00
		<b>(729)</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA39	COLA Adjustment	(2,919)	0.00	0.00
<b>2012 Proposed Budget</b>		<b>1,639,308</b>	<b>16.90</b>	<b>2.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

## **County Auditor**

### ***PROGRAM HIGHLIGHTS***

The 2012 Proposed Budget for County Auditor is \$1,636,308 with funding for 16.9 FTEs.

#### **Adjustments to 2011 Adopted Budget**

Adjustments to the 2011 Adopted Budget were made to incorporate changes in operating costs. These adjustments result in a net increase of \$112,698 from the 2011 Adopted Budget.

#### **Central Rate Changes**

**Central Rate Adjustments – (\$729).** This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in a (\$729) decrease in charges to County Auditor. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

#### **Technical Adjustments**

**COLA – (\$2,919).** This amount reflects the change from the preliminary Office of Economic and Financial Analysis forecast for Cost of Living Adjustment (COLA), which was 1.77 percent, to the final 2012 COLA rate of 1.63 percent.

**2012 Proposed Budget for  
Ombudsman/Tax Advisor 0010/0050**

Code/ Item#	Description	Expenditures	FTEs *	TLTs
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	1,214,740	10.00	0.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	69,043	0.00	0.00
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(6,360)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(393)	0.00	0.00
CR08	Technology Services Infrastructure Charge	(6,890)	0.00	0.00
CR10	KCIT Operations Charge/Rebate	850	0.00	0.00
CR11	Telecommunications Services	(2,510)	0.00	0.00
CR12	Telecommunications Overhead	(1,130)	0.00	0.00
CR14	Facilities Management Space Charge	(36,075)	0.00	0.00
CR22	Long Term Leases	(96,390)	0.00	0.00
CR25	Financial Service Charges	(2,665)	0.00	0.00
CR26	Retirement Rate Adjustment	1,845	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(540)	0.00	0.00
CR36	Property Services Lease Administration Fee	(1,747)	0.00	0.00
CR37	Facilities Management Strategic Initiative	11	0.00	0.00
CR48	Business Resource Center	3,164	0.00	0.00
		<b>(148,830)</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA39	COLA Adjustment	(1,461)	0.00	0.00
<b>2012 Proposed Budget</b>		<b>1,133,492</b>	<b>10.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.



## **Ombudsman/Tax Advisor**

### ***PROGRAM HIGHLIGHTS***

The 2012 Proposed Budget for Ombudsman/Tax Advisor is \$1,133,492 with funding for 10.00 FTEs.

#### **Adjustments to 2011 Adopted Budget**

Adjustments to the 2011 Adopted Budget were made to incorporate changes in operating costs. These adjustments result in a net increase of \$69,043 from the 2011 Adopted Budget.

#### **Central Rate Changes**

**Central Rate Adjustments – (\$148,830).** This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in a (\$148,830) decrease in charges to Ombudsman/Tax Advisor. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

#### **Technical Adjustments**

**COLA – (\$1,461).** This amount reflects the change from the preliminary Office of Economic and Financial Analysis forecast for Cost of Living Adjustment (COLA), which was 1.77 percent, to the final 2012 COLA rate of 1.63 percent.

**2012 Proposed Budget for  
King County Civic Television 0010/0060**

<b>Code/ Item#</b>	<b>Description</b>	<b>Expenditures</b>	<b>FTEs *</b>	<b>TLTs</b>
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	563,909	5.00	0.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	21,374	0.00	0.00
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(2,544)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	36	0.00	0.00
CR08	Technology Services Infrastructure Charge	99	0.00	0.00
CR10	KCIT Operations Charge/Rebate	258	0.00	0.00
CR13	Motor Pool Rate Adjustment	(9,046)	0.00	0.00
CR25	Financial Service Charges	2,069	0.00	0.00
CR26	Retirement Rate Adjustment	784	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(252)	0.00	0.00
CR37	Facilities Management Strategic Initiative	(28)	0.00	0.00
CR48	Business Resource Center	1,478	0.00	0.00
		<b>(7,146)</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA39	COLA Adjustment	(563)	0.00	0.00
<b>2012 Proposed Budget</b>		<b>577,574</b>	<b>5.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

## **King County Civic Television**

### ***PROGRAM HIGHLIGHTS***

The 2012 Proposed Budget for King County Civic Television is \$577,574 with funding for 5.00 FTEs.

#### **Adjustments to 2011 Adopted Budget**

Adjustments to the 2011 Adopted Budget were made to incorporate changes in operating costs. These adjustments result in a net increase of \$21,374 from the 2011 Adopted Budget.

#### **Central Rate Changes**

**Central Rate Adjustments – (\$7,146).** This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in a \$7,146 decrease in charges to King County Civic Television. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

#### **Technical Adjustments**

**COLA – (\$563).** This amount reflects the change from the preliminary Office of Economic and Financial Analysis forecast for Cost of Living Adjustment (COLA), which was 1.77 percent, to the final 2012 COLA rate of 1.63 percent.

**2012 Proposed Budget for  
Board of Appeals 0010/0070**

<b>Code/ Item#</b>	<b>Description</b>	<b>Expenditures</b>	<b>FTEs *</b>	<b>TLTs</b>
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	675,082	4.00	0.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	24,860	0.00	0.00
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(2,544)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(114)	0.00	0.00
CR08	Technology Services Infrastructure Charge	346	0.00	0.00
CR10	KCIT Operations Charge/Rebate	314	0.00	0.00
CR11	Telecommunications Services	(71)	0.00	0.00
CR12	Telecommunications Overhead	(63)	0.00	0.00
CR14	Facilities Management Space Charge	10,623	0.00	0.00
CR25	Financial Service Charges	(518)	0.00	0.00
CR26	Retirement Rate Adjustment	728	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(216)	0.00	0.00
CR37	Facilities Management Strategic Initiative	4	0.00	0.00
CR48	Business Resource Center	1,428	0.00	0.00
		<b>9,917</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA39	COLA Adjustment	(581)	0.00	0.00
<b>2012 Proposed Budget</b>		<b>709,278</b>	<b>4.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

## **Board of Appeals**

### ***PROGRAM HIGHLIGHTS***

The 2012 Proposed Budget for Board of Appeals is \$709,278 with funding for 4.00 FTEs.

#### **Adjustments to 2011 Adopted Budget**

Adjustments to the 2011 Adopted Budget were made to incorporate changes in operating costs. These adjustments result in a net increase of \$24,860 from the 2011 Adopted Budget.

#### **Central Rate Changes**

**Central Rate Adjustments – \$9,917.** This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in a \$9,917 increase in charges to Board of Appeals. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

#### **Technical Adjustments**

**COLA – (\$581).** This amount reflects the change from the preliminary Office of Economic and Financial Analysis forecast for Cost of Living Adjustment (COLA), which was 1.77 percent, to the final 2012 COLA rate of 1.63 percent.

**2012 Proposed Budget for  
Office of Law Enforcement Oversight 0010/0085**

<b>Code/ Item#</b>	<b>Description</b>	<b>Expenditures</b>	<b>FTEs *</b>	<b>TLTs</b>
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	335,344	4.00	0.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	2,972	0.00	0.00
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(2,544)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	44	0.00	0.00
CR08	Technology Services Infrastructure Charge	487	0.00	0.00
CR10	KCIT Operations Charge/Rebate	314	0.00	0.00
CR22	Long Term Leases	17,594	0.00	0.00
CR26	Retirement Rate Adjustment	669	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(248)	0.00	0.00
CR36	Property Services Lease Administration Fee	325	0.00	0.00
CR37	Facilities Management Strategic Initiative	107	0.00	0.00
		<b>16,748</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA39	COLA Adjustment	(533)	0.00	0.00
<b>2012 Proposed Budget</b>		<b>354,531</b>	<b>4.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

## **Office of Law Enforcement Oversight**

### ***PROGRAM HIGHLIGHTS***

The 2012 Proposed Budget for Office of Law Enforcement Oversight is \$354,531 with funding for 4.00 FTEs.

#### **Adjustments to 2011 Adopted Budget**

Adjustments to the 2011 Adopted Budget were made to incorporate changes in operating costs. These adjustments result in a net increase of \$2,972 from the 2011 Adopted Budget.

#### **Central Rate Changes**

**Central Rate Adjustments – \$16,748.** This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in a \$16,748 increase in charges to Office of Law Enforcement Oversight. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

#### **Technical Adjustments**

**COLA – (\$533).** This amount reflects the change from the preliminary Office of Economic and Financial Analysis forecast for Cost of Living Adjustment (COLA), which was 1.77 percent, to the final 2012 COLA rate of 1.63 percent.

**2012 Proposed Budget for  
Districting Committee 0010/0086**

<b>Code/ Item#</b>	<b>Description</b>	<b>Expenditures</b>	<b>FTEs *</b>	<b>TLTs</b>
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	280,000	0.00	2.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	2,642	0.00	0.00
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(1,272)	0.00	0.00
CR26	Retirement Rate Adjustment	307	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(124)	0.00	0.00
		<b>(1,089)</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA01	Wind Down Redistricting Committee	(253,911)	0.00	(2.00)
TA39	COLA Adjustment	(2,642)	0.00	0.00
		<b>(256,553)</b>	<b>0.00</b>	<b>(2.00)</b>
<b>2012 Proposed Budget</b>		<b>25,000</b>	<b>0.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.



## **Districting Committee**

### ***PROGRAM HIGHLIGHTS***

The 2012 Proposed Budget for Districting Committee is \$25,000 with no FTE funding.

#### **Adjustments to 2011 Adopted Budget**

Adjustments to the 2011 Adopted Budget were made to incorporate changes in operating costs. These adjustments result in a net increase of \$2,642 from the 2011 Adopted Budget.

#### **Central Rate Changes**

**Central Rate Adjustments – (1,089).** This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in a (\$1,089) decrease in charges to Districting Committee. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

#### **Technical Adjustments**

**COLA – (\$2,642).** This adjustment reflects the elimination of the Cost of Living Adjustment (COLA) set aside for the positions that are eliminated from the 2012 budget.

**Wind Down Redistricting Committee – (\$253,911).** The Redistricting Committee was a one-time appropriation in 2011 and is scheduled to complete its work by the beginning of 2012. The appropriation will retain \$25,000 in funding for 2012.

Use this page for notes.

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County Executive

## COUNTY EXECUTIVE

**Mission:**

**County Executive**

The County Executive provides leadership and direction for the operation of the executive branch of county government and for implementation of the King County Strategic Plan, 2010-2014, in collaboration with the County's other elected officials.

### OVERVIEW

This budget reflects Executive Dow Constantine's reform agenda. It is designed to further the implementation of the King County Strategic Plan and to make further progress toward a sustainable County budget.

The 2012 proposed budget for the County Executive includes the following four appropriation units: County Executive; Office of the County Executive; Office of Performance, Strategy, and Budget; and Office of Labor Relations. Through these offices and budgets, the

County Executive provides leadership and direction for the operation of the executive branch of county government and for implementation of the King County Strategic Plan in collaboration with the County's other elected officials.

### Strategic Plan Priorities 2012:

The County Executive is responsible for providing leadership and direction for implementation of the King County Strategic Plan, in collaboration with other County elected officials. The budget and Strategic Plan reflect the County Executive's work to reform and bring down the cost of county government by focusing on customer service, partnerships, efficiencies and continuous improvement of how King County delivers services.

### **2010-2014 Strategic Plan Goals for what King County will do:**

- ***Justice and Safety.*** Support safe communities and accessible justice systems for all.
- ***Health and Human Potential.*** Provide equitable opportunities for all individuals to realize their full potential.
- ***Economic Growth and Built Environment.*** Encourage a growing and diverse King County economy and vibrant, thriving and sustainable communities.
- ***Environmental Sustainability.*** Safeguard and enhance King County's natural resources and environment.

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### **2010-2014 Strategic Plan Goals for how County will do them:**

***Service Excellence.*** Establish a culture of customer service and deliver services that are responsive to community needs.

***Financial Stewardship.*** Exercise sound financial management and build King County's long-term fiscal strength.

***Public Engagement.*** Promote robust public engagement that informs, involves, and empowers people and communities.

***Quality Workforce.*** Develop and empower King County government's most valuable asset, our employees.

**2012 Proposed Budget for  
County Executive 0010/0110**

<b>Code/ Item#</b>	<b>Description</b>	<b>Expenditures</b>	<b>FTEs *</b>	<b>TLTs</b>
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	327,411	2.00	0.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	9,256	0.00	0.00
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(1,272)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(36)	0.00	0.00
CR08	Technology Services Infrastructure Charge	(1,150)	0.00	0.00
CR10	KCIT Operations Charge/Rebate	(400)	0.00	0.00
CR25	Financial Service Charges	713	0.00	0.00
CR26	Retirement Rate Adjustment	608	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(124)	0.00	0.00
CR37	Facilities Management Strategic Initiative	(68)	0.00	0.00
CR48	Business Resource Center	457	0.00	0.00
		<b>(1,272)</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA01	Transfer County Executive Staff to the Office of the County Executive	(90,402)	(1.00)	0.00
TA39	COLA Adjustment	(1,061)	0.00	0.00
TA50	Zero out revenue	0	0.00	0.00
		<b>(91,463)</b>	<b>(1.00)</b>	<b>0.00</b>
<b>2012 Proposed Budget</b>		<b>243,932</b>	<b>1.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

### County Executive

#### ***PROGRAM HIGHLIGHTS***

The total 2012 Proposed Budget for the County Executive is \$243,932 with funding for 1.00 FTE. This appropriation unit funds the salaries and associated operating expenditures for the County Executive.

#### **Adjustments to Adopted Budget**

Adjustments to the 2011 Adopted Budget were made to incorporate inflation in general operating costs. These general operating cost adjustments result in a net increase of \$9,256 from the 2011 Adopted Budget.

#### **Central Rate Changes**

**Central Rate Adjustments – (\$1,272).** This series of adjustments captures the net effect of changes in countywide charges from the 2011 Adopted Budget and results in a \$1,272 decrease in charges to the County Executive budget. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific charges are detailed in the central rate changes section of the agency crosswalk.

#### **Technical Adjustments**

**Transfer County Executive Staff to the Office of the County Executive - (\$90,402) / (1.00 FTE).** Salary and associated expenditures for one staff person are transferred from the County Executive appropriation unit to the Office of the County Executive.

**COLA – ( \$1,061).** This amount reflects the transfer of the Cost of Living Adjustment (COLA) set aside for the staff position that is transferred to the Office of the County Executive.

**2012 Proposed Budget for  
Office of the County Executive 0010/0120**

Code/ Item#	Description	Expenditures	FTEs *	TLTs
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	3,665,744	24.00	0.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	439,141	0.00	0.00
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(15,264)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(15,144)	0.00	0.00
CR08	Technology Services Infrastructure Charge	26,927	0.00	0.00
CR10	KCIT Operations Charge/Rebate	3,954	0.00	0.00
CR11	Telecommunications Services	(2,225)	0.00	0.00
CR12	Telecommunications Overhead	(1,357)	0.00	0.00
CR13	Motor Pool Rate Adjustment	429	0.00	0.00
CR14	Facilities Management Space Charge	65,317	0.00	0.00
CR16	Radio Access	(697)	0.00	0.00
CR17	Radio Maintenance	(313)	0.00	0.00
CR18	Radio Direct Charges	(365)	0.00	0.00
CR22	Long Term Leases	11,585	0.00	0.00
CR25	Financial Service Charges	(3,085)	0.00	0.00
CR26	Retirement Rate Adjustment	5,448	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(1,523)	0.00	0.00
CR36	Property Services Lease Administration Fee	310	0.00	0.00
CR37	Facilities Management Strategic Initiative	358	0.00	0.00
CR44	DES LAN Administration Costs	(16,208)	0.00	0.00
CR48	Business Resource Center	6,236	0.00	0.00
		<b>64,383</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA01	Transfer County Executive Staff to Office of the County Executive	91,306	1.00	0.00
TA39	COLA Adjustment	(3,201)	0.00	0.00
TA50	Revenue Adjustment	0	0.00	0.00
		<b>88,105</b>	<b>1.00</b>	<b>0.00</b>
<b>2012 Proposed Budget</b>		<b>4,257,373</b>	<b>25.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.



### Office of the County Executive

#### ***PROGRAM HIGHLIGHTS***

The total 2012 Proposed Budget for the Office of the County Executive is \$4,257,373 with funding for 25.00 FTEs. This appropriation unit funds the salaries and associated operating expenditures for the staff in the Office of the County Executive (CE) who provide leadership and direction for the operation and reform of County government, as articulated in the King County Strategic Plan. No positions are loaned from other departments.

#### **Adjustments to Adopted Budget**

Adjustments to the 2011 Adopted Budget were made to incorporate inflation in general operating costs. These adjustments result in a net increase of \$439,141 from the 2011 Adopted Budget.

#### **Central Rate Changes**

**Central Rate Adjustments - \$64,383.** This series of adjustments captures the net effect of changes in countywide charges from the 2011 Adopted Budget, and results in a \$64,383 increase in charges to the CE budget. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific charges are detailed in the central rate changes section of the agency crosswalk.

#### **Technical Adjustments**

**Transfer County Executive Staff to the Office of the County Executive - \$91,306 / 1.00 FTE.** Salary and associated expenditures for one staff person are transferred from the County Executive appropriation unit to the Office of the County Executive.

**COLA – (\$3,201).** This amount reflects the change from the preliminary Office of Economic and Financial Analysis forecast for Cost of Living Adjustment (COLA), which was 1.77 percent, to the final 2012 COLA rate of 1.63 percent.

## OFFICE OF LABOR RELATIONS

### ***Mission:***

#### **Office of Labor Relations**

Supporting county leadership in their effort to provide fiscally prudent and quality services to a vibrant and productive populace by conducting all matters concerning the collective bargaining process is the primary mission of the Office of Labor Relations.

### **OVERVIEW**

Executive Dow Constantine created the King County Office of Labor Relations in 2010 as part of his commitment to reform. This action raised the profile of labor relations in the County and has helped to ensure the ability to more effectively execute countywide labor strategies. By cultivating and maintaining collaborative working relationships represented labor, we employ innovative and creative solutions to challenges and problems, and achieve fair and just results.

The vision of the Office of Labor Relations will be realized by supporting County leadership in their efforts to provide fiscally prudent and quality service delivery to a vibrant and productive populace as reflected in the King County

Strategic Plan. The objectives of the Office of Labor Relations will be realized by achieving the specific goals of partnering with represented labor to help make possible the expanded culture of customer service, continued sound financial management and to further develop County employees to ensure a first rate work force that supports service excellence.

### **2012 Key Issues**

**Health Benefits Changes** -- Complying with both the coverage requirements of the Accountable Care Act and the long term cost targets will prove challenging in bargaining benefits over the next five years. Target cost levels are well below the expected 8 percent annual year over year cost increase for the existing health plan. The county will need to engage in different strategies to achieve these goals. These strategies will require a level and complexity in negotiations not previously seen at the County.

**Consolidation of Payroll and Financial Systems** - The Office of Labor Relations is closing out negotiations of the bi-weekly, actual-hours portion of the Accountable Business Transformation program for most of our agencies. As the milestone of bi-weekly negotiations for the large part concludes, a major milestone of conversion to Oracle Financial Systems will take place on January 1, 2012. The unified payroll and financial systems will enable the County to consolidate and standardized our labor agreements in ways not previously done.

**Interest Arbitrations** - The Office of Labor Relations is presently preparing for four medium complexity interest arbitrations to be conducted in late 2011 and early 2012. Interest arbitration matters will continue to arise with greater frequency as the County's financial constraints are assessed in the context of changing market conditions. As a matter of increased efficiency and cost saving measure, the Office of Labor Relations will continue its self-directed process to train existing staff in the skill of interest arbitration case management and presentation. In addition, OLR will bring low to mid-level complexity interest arbitrations in-house, in order to provide significant cost savings in the outyears.

## **HOW WE DELIVER**

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**Wage, Paid Leave and Insured Benefits Negotiations** - The labor contract language standardization effort will be conducted within a bargaining context of a market-based “total compensation” framework that includes paid leave and insured benefits as essential elements of compensation in addition to base wages. The Office of Labor Relations is working now with its partners within the County to create the necessary policy framework for our decision makers in order to provide much needed direction for collective bargaining in 2012.

**Collective Bargaining Agreement Standardization** - Decreasing the amount of contract language variability and clarifying remaining contract provisions will allow greater payroll system automation and standardization while decreasing the number of contract language disputes that may ultimately be arbitrated. The Office of Labor Relations will use this approach for negotiations commencing in 2012 and running for two contract cycles through 2017.

**Consolidation of Bargaining Units and Collective Bargaining Agreements** - As the labor agreements are standardized through negotiations, the additional effort at reducing the number of labor agreements and consolidating existing bargaining units should be addressed. For some time now, the County has permitted increasingly fragmented labor agreement configurations. Fewer contracts and the creation of master agreements established along departmental and occupational lines will create efficiencies and reduce costs.

### **Executive Priorities**

The Executive’s priorities, as expressed in the 2012 Proposed Budget, are to advance the Equity and Social Justice Initiative; ensure that goals objectives, and services are aligned with the King County Strategic Plan; and achieve efficiency savings of three percent while maintaining current service levels. OLR’s 2012 Proposed Budget supports these priorities in the following ways:

**Equity and Social Justice** – The Office of Labor Relations demonstrates its commitment to the Equity and Social Justice Initiative through training and practices of awareness on the importance of seeing the Office’s core business through the lens of equity and social justice. This training will focus on integrating Equity and Social Justice considerations into the daily work of contract administration and collective bargaining. County labor unions will be asked to partner with the Office of Labor Relations to apply this Equity and Social Justice vision and shared commitment to values expressed in the King County Strategic Plan to collective bargaining agreements.

**3 Percent Efficiency Goal** - The Office of Labor Relations will lower the County’s costs through the insourcing of low to medium-complexity interest arbitrations. This will result in substantial savings that are currently borne by other County agencies, particularly those with higher concentrations of arbitration-eligible bargaining units. OLR anticipates that it will absorb this workload without hiring additional negotiators. One paralegal will staff the effort in 2012.

**2012 Proposed Budget for  
Office of Labor Relations 0010/0186**

Code/ Item#	Description	Expenditures	FTEs *	TLTs
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	2,077,697	14.50	0.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	134,830	0.00	0.00
<b>Efficiency Reductions</b>				
ER01	Insource Interest Arbitrations	77,115	1.00	0.00
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(9,540)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(2)	0.00	0.00
CR08	Technology Services Infrastructure Charge	(5,294)	0.00	0.00
CR10	KCIT Operations Charge/Rebate	11,902	0.00	0.00
CR11	Telecommunications Services	(9,708)	0.00	0.00
CR12	Telecommunications Overhead	(4,950)	0.00	0.00
CR13	Motor Pool Rate Adjustment	(810)	0.00	0.00
CR14	Facilities Management Space Charge	15,190	0.00	0.00
CR22	Long Term Leases	(24,770)	0.00	0.00
CR25	Financial Service Charges	(20,675)	0.00	0.00
CR26	Retirement Rate Adjustment	3,555	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(898)	0.00	0.00
CR36	Property Services Lease Administration Fee	(320)	0.00	0.00
CR37	Facilities Management Strategic Initiative	(444)	0.00	0.00
CR44	DES LAN Administration Costs	17,911	0.00	0.00
CR48	Business Resource Center	1,762	0.00	0.00
		<b>(27,091)</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA39	COLA Adjustment	(1,779)	0.00	0.00
<b>2012 Proposed Budget</b>		<b>2,260,772</b>	<b>15.50</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

### Office of Labor Relations

#### ***PROGRAM HIGHLIGHTS***

The total 2012 Proposed Budget for the Office of Labor Relations is \$2,260,772, with funding for 15.50 FTEs.

#### **Adjustments to 2011 Adopted Budget**

Adjustments to the 2011 Adopted budget were made to incorporate inflation and changes in operating costs. These adjustments result in a net increase of \$134,830.

#### **Efficiency Changes**

**Insource Interest Arbitrations -- \$77,115, 1.00 FTEs.** The Office of Labor Relations will realign existing negotiator resources to address insourced arbitrations. As this is a function that has formerly been outsourced to legal counsel, a paralegal FTE will be needed to ensure adequate in-house resources are available.

#### **Central Rate Changes**

**Central Rate Adjustments – (\$27,091).** This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in a (\$27,091) decrease in charges to the Office of Labor Relations. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

#### **Technical Adjustments**

**COLA – (\$1,779).** This amount reflects the change from the preliminary Office of Economic and Financial Analysis forecast for Cost of Living Adjustment (COLA), which was 1.77 percent, to the final 2012 COLA rate of 1.63 percent.

## ***OFFICE OF PERFORMANCE, STRATEGY, AND BUDGET***

***Mission:***

**Office of Performance,  
Strategy, and Budget**

The Office of Performance, Strategy, and Budget provides sound data and analytical tools to improve King County performance.

### ***OVERVIEW***

The Office of Performance, Strategy, and Budget (PSB) resides within the County Executive Office and its work is directed by King County Code and a variety of ordinances and motions. PSB is also guided by the County Executive's commitment to reform and is responsive to Executive initiatives in carrying out its work.

King County Code Chapter 2.10 directs PSB's work in leading King County's performance system and countywide strategic planning efforts. King County Code Chapter 4.04 and Article 4 of the King County Charter direct PSB's budget development, monitoring and reporting responsibilities.

### **2012 Key Issues**

PSB has established three key goals that articulate what PSB will accomplish in carrying out the mandated functions of the office. The established goals are intentionally broad and are anticipated to remain relevant for three to five years.

1. Coordinate the implementation of the King County Strategic Plan across County government.
2. Align resource decisions with priorities that promote the King County Strategic Plan goals, objectives and strategies.
3. Lead countywide performance management and process improvement initiatives.

PSB is working to develop an overall framework to implement the KCSP. Initially, the focus of this work has been designing the process and system for implementing the "what" and "how" goals in the plan. Working in partnership with the Executive Office, staff members are convening and project managing goal-level planning teams. Goal-level planning teams are comprised of County leaders who have shared responsibility for achieving the goals in the KCSP.

PSB is also using the budget process as the primary mechanism to implement the KCSP and to achieve the broader goal of implementing a performance management system that formally links budgeting and planning. The long-term goal is to have the budget process be fully informed by the goals of the KCSP. This requires changes to the budget itself and the process used to develop it. The revised budget will have the following characteristics:

- Agency budgets will be built on products that align with KCSP strategies. Products are specific County services, such as various types of transit service, treated wastewater, general elections, building permits, or tax appeals.
- Products will be accompanied by specific outcome measures.
- The cost of providing products will be tracked and reviewed with the goal of improving effectiveness over time.

## **HOW WE DELIVER**

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- Equity and social justice issues will be integrated with budget decision-making.
- The budget development and approval process will continue to be how policy makers reach decisions about resource allocation. This process will lead to more fully informed policy decisions and a better understanding of the expected results of funding choices.

It will take several years to modify the budget process to reach the desired state. However, some steps have been taken and PSB will continue to gradually implement aspects of the KCSP through the budget.

The Executive Reform Agenda, the ABT Project, the 3 Percent Efficiency Initiative, and the King County Strategic Plan all emphasize the need for employee engagement to find innovations, create efficiencies, and deliver better customer service. As such, PSB has identified supporting business process improvements throughout County government as one of its core products. More than half of PSB employees have attended the Front Runners training to learn about change management and business process improvements. Some staff members have received Six Sigma and Lean Practice training. While PSB has always had staff doing business process improvement work, this will be included in the responsibilities of most staff in the office and will consume a greater portion of staff time in 2012 and beyond.

The 2012 budget includes a proposal to establish a continuous improvement group within PSB. This four-person group would build on work done by loaned and temporary staff to implement the “Lean” methodology in County government in 2011. Lean is a form of analysis based on the Toyota Production System and focuses on finding ways to improve processes and reduce waste. The County has conducted three Lean “events” through August 2011, two focused on licensing and one focused on the Executive legislative review process. All three identified substantial opportunities to produce better products in less time.

### **Executive Priorities**

The Executive’s priorities, as expressed in the 2012 Proposed Budget, are to advance the Equity and Social Justice Initiative; ensure that goals objectives, and services are aligned with the King County Strategic Plan; and achieve efficiency savings of three percent while maintaining current service levels. PSB’s 2012 Proposed Budget supports these priorities in the following ways:

**3 Percent Efficiency** - Consistent with the County Executive’s commitment to reform, PSB is leading the effort to identify 3 percent efficiencies through each budget process. The goal of the efficiency initiative is to improve the cost-effectiveness of county services over time. The 2012 budget process set the expectation that 3 percent efficiencies would be realized across all funds. Toward this end, PSB employees worked with departments and agencies to help them understand this expectation, determine what constitutes efficiencies in their service areas, and identify possible efficiencies.

PSB has reduced its own costs through more efficient use of resources enabled by the office’s reorganization in 2011. PSB has eliminated one position and has absorbed the workload utilizing existing staff. PSB has also reduced its footprint of occupied space by moving staff from the Yesler building to existing footprints at the Chinook building, King Street Center and the Administration building as part of its 2011 reorganization.

## HOW WE DELIVER

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**Equity and Social Justice** - ESJ is considered in PSB projects in a multitude of ways. PSB develops formal plans to address ESJ throughout the life of projects and less formally via discussions that occur during the process of designing and implementing process improvement, community enhancement, and other special projects.

ESJ was formally included and considered in the 2012 budget process through several efforts that PSB staff led. Early in the budget process, “ESJ and Budgeting” training was provided to PSB and department/agency staff. The 2012 budget instructions requested that business plans include a narrative description of how ESJ issues are considered in agency business operations and the budget proposal process. Within budget submittals, departments and agencies were requested to describe the potential impact on low-income communities, communities of color, or communities with limited English proficiency relative to other groups for each proposed budget change.



### ***PRODUCT TEST CASE: PERFORMANCE, STRATEGY, AND BUDGET***

In preparing the 2012 Proposed Budget, King County took the first step toward product-based budgeting, which would highlight the specific services or products provided by an agency rather than focus on incremental changes to the base budget. Six County agencies were selected to develop services and programs into product-based budgets. PSB is one of the test cases in 2012. The following is a description of PSB's products.

#### ***INTRODUCTION***

The office of Performance Strategy and Budget has three main product families that it worked on during 2011 and will continue to work on in 2012. These product families are listed as follows:

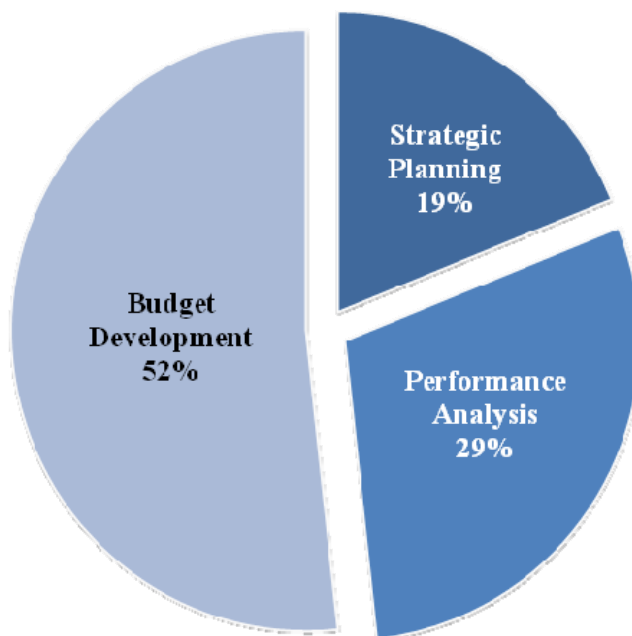
- **Strategic Planning** – These PSB products and services help prioritize which services King County should be delivering to its customers and include the King County Strategic Plan (KCSP), the KCSP Goal-Area Work Plans, and Strategic Plan Consultation.
- **Budget Development** – These PSB products and services help articulate decisions about what King County delivers to its customers, priorities for spending, and how much it costs. It includes products such as the Annual/Biennial Budgets, Supplemental Budgets, Financial Reports, Annexation Agreements, and City Contracts for Services.
- **Performance Analysis** – These PSB products and services help King County show when it is achieving its goals, and understand how it is improving its services. It includes products such as Performance Forums, AIMs High – which monitors KCSP implementation, Performance Reports, Performance Management Trainings, Operational Improvement Consultations, and Research Reports.

*The data below is not intended to be a precise calculation and is not intended to be used for any purposes other than learning and exploring a new way of thinking. This is innovative and challenging work that is just beginning. The test cases were intended to be an initial step to test assumptions, not come up with final answers.*

### Cost-Per-Product Discussion

In 2012, PSB's three product families are represented by the following pie chart. This distribution reflects the estimated allocation of staff time across all PSB products. Over half of PSB staff time will be spent on budget development in 2012. Nearly 30 percent of PSB staff time will be spent on performance analysis, partly reflecting the proposed expansion of PSB's capacity to provide operational improvement consultations. When King County moves completely to biennial budgeting, these proportions will change each year due to the cyclical nature of biennial budget development.

**PSB 2012 Budget by Product Family**  
**\$7.5 Million**



## HOW WE DELIVER

The table below represents the following products currently produced or in production for 2012 and represents the approximate percentage of a \$7.5 million budget (includes the total 2012 proposed budget plus salaries and benefits for three staff that are paid from other sources).

Product Family	Product	Quality measures	Staff time	Estimated cost
Strategic Planning	King County Strategic Plan	<ul style="list-style-type: none"> <li>Percent of on-going communication plan milestones met</li> <li>Degree of stakeholder engagement</li> </ul>	4.9%	\$368,674
	KCSP Goal Area Work Plans	<ul style="list-style-type: none"> <li>Percent of work plan items with time-bound objectives</li> </ul>	4.4%	\$327,520
	Strategic Plan Consultation	<ul style="list-style-type: none"> <li>TBD</li> </ul>	9.6%	\$717,628
Budget Development	Annual/Biennial Budgets	<ul style="list-style-type: none"> <li>Number of errors on the Corrections Ordinance</li> <li>Percent of agency budgets conforming to standards (TBD)</li> </ul>	39.5%	\$2,957,966
	Supplemental Budgets	<ul style="list-style-type: none"> <li>Percent of supplemental budgets conforming to standards (TBD)</li> </ul>	4.6%	\$341,238
	Financial Reports	<ul style="list-style-type: none"> <li>Percent of variances explained (variance &gt;5%)</li> </ul>	4.2%	\$315,516
	Annexations Agreements	<ul style="list-style-type: none"> <li>TBD</li> </ul>	2.8%	\$207,486
	City Contracts for Services	<ul style="list-style-type: none"> <li>TBD</li> </ul>	0.7%	\$53,158
Performance Analysis	Performance Forums	<ul style="list-style-type: none"> <li>TBD</li> </ul>	1.2%	\$89,168
	AIMs High	<ul style="list-style-type: none"> <li>Percent of performance measures that have a target or other frame of reference for understanding performance</li> </ul>	1.4%	\$106,315
	Performance Reports	<ul style="list-style-type: none"> <li>Percent of performance measures that have a target or other frame of reference for understanding performance</li> </ul>	5.6%	\$416,687
	Performance Management Trainings	<ul style="list-style-type: none"> <li>TBD</li> </ul>	1.1%	\$80,594
	Operational Improvement Consultations	<ul style="list-style-type: none"> <li>Percent of process improvement projects with pre- &amp; post-evaluation</li> <li>Percent of requirements met on process improvement checklist</li> </ul>	16.2%	\$1,214,052
	Research Reports	<ul style="list-style-type: none"> <li>Percent scoring to standard on reading ease test</li> <li>Percent of requirements in scope met</li> <li>Percent of reports completed on time</li> </ul>	4.0%	\$297,511
<b>Total</b>				<b>\$7,493,513</b>

## 2012 Proposed Budget for

### Office of Performance, Strategy and Budget 0010/0140

Code/ Item#	Description	Expenditures	FTEs *	TLTs
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	6,521,872	45.00	0.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	198,606	0.00	0.00
<b>Administrative Service Changes</b>				
AS01	Continuous Improvement Initiative	616,852	4.00	0.00
AS02	Executive Audit Resources	60,000	0.00	0.00
		<b>676,852</b>	<b>4.00</b>	<b>0.00</b>
<b>Efficiency Reductions</b>				
ER01	Eliminate Confidential Secretary 1	(77,112)	(1.00)	0.00
ER44	Building Occupancy Efficiency Reduction	(51,250)	0.00	0.00
		<b>(128,362)</b>	<b>(1.00)</b>	<b>0.00</b>
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(28,620)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(168,249)	0.00	0.00
CR08	Technology Services Infrastructure Charge	32,719	0.00	0.00
CR09	Geographic Information Systems Charge	(312)	0.00	0.00
CR10	KCIT Operations Charge/Rebate	4,644	0.00	0.00
CR11	Telecommunications Services	(6,507)	0.00	0.00
CR12	Telecommunications Overhead	(3,558)	0.00	0.00
CR13	Motor Pool Rate Adjustment	(935)	0.00	0.00
CR14	Facilities Management Space Charge	10,040	0.00	0.00
CR16	Radio Access	9	0.00	0.00
CR18	Radio Direct Charges	22	0.00	0.00
CR22	Long Term Leases	17,989	0.00	0.00
CR25	Financial Service Charges	(4,758)	0.00	0.00
CR26	Retirement Rate Adjustment	10,217	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(3,066)	0.00	0.00
CR36	Property Services Lease Administration Fee	(1,842)	0.00	0.00
CR37	Facilities Management Strategic Initiative	(28)	0.00	0.00
CR44	DES LAN Administration Costs	(33,845)	0.00	0.00
CR48	Business Resource Center	17,564	0.00	0.00
		<b>(158,516)</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA35	1.5 Percent Underexpenditure Adjustment	(3,836)	0.00	0.00
TA39	COLA Adjustment	(2,105)	0.00	0.00
TA50	Zero out revenue	0	0.00	0.00
		<b>(5,941)</b>	<b>0.00</b>	<b>0.00</b>
<b>2012 Proposed Budget</b>		<b>7,104,511</b>	<b>48.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

### Office of Performance, Strategy, and Budget

#### ***PROGRAM HIGHLIGHTS***

The total 2011 Proposed Budget for PSB is \$7,104,511 with funding for 48.00 FTEs. This appropriation unit funds the salaries and associated operating expenditures for the performance management, strategic policy and budget staff for the King County Executive.

#### **Adjustments to Adopted Budget**

Adjustments to the 2011 Adopted Budget were made to incorporate inflation in general operating costs. All of the adjustments result in a net change of \$198,606 from the 2011 Adopted Budget.

#### **Administrative Service Changes**

**Continuous Improvement Initiative – 616,852 / 4.00 FTEs.** A continuous improvement team is established to support all County agencies in developing and implementing continuous improvement. This team will provide consulting services, create training curricula, document and promulgate best practices, coordinate activities across the organization, develop standardized tools and track results of county wide continuous improvement efforts. The team will consist of a Program Project Director and three project staff. The team will leverage a small number of highly skilled staff to provide tangible support to county agencies, create a common framework and develop countywide capacity for an ongoing process improvement program based on the “Lean” methodology.

**Executive Audit Resources - \$60,000.** Consulting resources are provided to reestablish an Executive Audit oversight function by contracting for services.

#### **Efficiency Reductions**

**Eliminate Confidential Secretary 1 Position – (\$77,112) / (1.00 FTE).** One vacant Confidential Secretary position is proposed for elimination. The workload has been redistributed among the remaining staff.

**Building Occupancy Efficiency Reduction – (\$51,250).** In 2011 PSB, in collaboration with Facilities Management, consolidated space and moved staff from the Yesler building to existing footprints at the Chinook building, King Street Center and the Administration building. PSB’s occupied square footage has decreased by 5,020 square feet, which equates to a reduction of \$51,250 in Facilities operations and maintenance charges.

#### **Central Rate Changes**

**Central Rate Adjustments – (\$158,516).** This series of adjustments captures the net effect of changes in countywide charges from the 2011 Adopted Budget, and results in a \$158,516 decrease in charges to the PSB budget. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

### **Technical Adjustments**

**1.5 Percent Underexpenditure Adjustment – (\$3,836).** In the 2012 proposed budget, the required underexpenditure rate for General Fund agencies is equal to 2 percent of expenditures that are not backed by specific contractual revenues. Of the required underexpenditure, 1.5 percent has been reduced from GF operating budgets to directly budget for assumed underexpenditure levels. A remaining central underexpenditure of one half of one percent is held in the GF Financial Plan, for a total assumption of 2 percent. Departments are expected to manage their appropriations to achieve the underexpenditure.

**COLA - (\$2,105).** This amount reflects the change from the preliminary Office of Economic and Financial Analysis forecast for Cost of Living Adjustment (COLA), which was 1.77 percent, to the final 2012 COLA rate of 1.63 percent.

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## Assessments

## ***DEPARTMENT OF ASSESSMENTS***

### ***Mission:***

#### **Department of Assessments**

The primary purpose of the Department of Assessments is to provide the services necessary for the maintenance and certification of a fair, equitable and uniform county assessment roll as mandated by Chapter 84 of the Revised Code of Washington (RCW). This concludes in levy rate determination and tax roll development, established annually for the purpose of administering the property tax system for all Real and Personal Property located within the geographic boundaries of King County.

### ***OVERVIEW***

The Department of Assessments is an independently elected agency charged with administering the County's property evaluation and assessment process. This process forms the basis for funding a wide range of important public services from education to transportation to hospitals; what's more, it requires effective partnerships with 163 separate taxing districts. In concert with the King County Strategic Plan, the organization strives to provide these services in a way that is fair, equitable, uniform and understandable to the public.

The Department of Assessments provides seven broad sets of products to its customers: property values (residential and commercial), revalue notices, levy rates, exemptions (for things like flood damage or for seniors), tax appeals, public information, and mapping and

recording. These products are in direct service of the King County Strategic Plan Financial Stewardship Strategy 2.f: "Assess county taxes through fair and equitable application of tax law." The organization's values also speak strongly to strategies such as Service Excellence Strategy 2.b: "Adopting new technologies and processes that allow county agencies to work more effectively and efficiently" and Service Excellence Strategy 3.a: "Engage in partnerships to solve problems, expand services, and inform decision-making."

The Department of Assessments is comprised of five divisions:

- Administration;
- Accounting;
- Information Services;
- Residential; and,
- Commercial/Business.

### **2012 Key Issues**

**Market Changes** - The Department of Assessments has been significantly impacted by recent economic upheaval. As a result of the volatility of the real estate market, the organization's work is changing. Assessments are getting more complicated as a result of foreclosures, short-sales, etc. and more people than ever are filing appeals. An important focus for 2012 will be adjusting and responding to these new demands.



## **HOW WE DELIVER**

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**Shift to the Field** - The Department of Assessment is proposing a variety of strategies in 2012 to enable staff to spend more time in the field, thereby increasing productivity. Generally, the goal is to reduce brick-and-mortar space and use more fleet vehicles and mobility-enabling technology.

**Technology and Space Consolidation** - In furtherance of Financial Stewardship Strategy 1.d: “Pursue technologies that improve service while reducing the cost of delivery,” the Departments of Assessments will focus on a variety of technological and other solutions to become more efficient. Two examples include the consolidation of space on the 7<sup>th</sup> and 8<sup>th</sup> floors of the King County Administration Building and the shift to an entirely paperless system for the Board of Equalization.

### **Executive Priorities as considered in 2012 Business Planning and Budget Development**

The Executive’s priorities, as expressed in the 2012 Proposed Budget, are to advance the Equity and Social Justice Initiative; ensure that goals objectives, and services are aligned with the King County Strategic Plan; and achieve efficiency savings of three percent while maintaining current service levels. The Department of Assessments’ 2012 Proposed Budget supports these priorities in the following ways:

**Equity and Social Justice** - As an agency that touches a significant portion of King County residents, communication is central to the Department of Assessment’s equity and social justice considerations. Key goals for 2012 include making sure property tax information is clear, first in English, and then ensuring clear and accurate translations into other key languages; automating more processes and information to more effectively reach rural residents; and continuing outreach to seniors and other residents with limited mobility.

**3 Percent Efficiency Goal** - The Department of Assessments efficiency efforts for 2012 include: vacating the 8<sup>th</sup> floor of the King County Administration Building; a re-engineered property valuation notice program that will be more efficient and less costly; and shifting mail processing to King County mail. Further, the organization has proposed several technology investments anticipated to yield savings in the long-term.

**2012 Proposed Budget for  
Assessments 0010/0670**

Code/ Item#	Description	Expenditures	FTEs *	TLTs
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	21,243,286	208.00	2.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	(11,540)	0.00	(2.00)
<b>Direct Service Changes</b>				
DS01	2 Commercial Appraiser I Positions	111,348	2.00	0.00
DS02	Fleet Vehicle Additions	45,000	0.00	0.00
DS03	Mobile Device Replacement & Related Costs	194,000	0.00	0.00
DS04	Translation Services	25,000	0.00	0.00
DS05	King County Recorder's Office Fees	10,500	0.00	0.00
		<b>385,848</b>	<b>2.00</b>	<b>0.00</b>
<b>Administrative Service Changes</b>				
AS01	Auto Allowance with Full Runzheimer	115,000	0.00	0.00
AS02	Litigation Support	25,000	0.00	0.00
		<b>140,000</b>	<b>0.00</b>	<b>0.00</b>
<b>Efficiency Reductions</b>				
ER01	Re-engineered Valuation Notice	(120,000)	0.00	0.00
ER03	Pitney Bowes Lease Cancellation	(9,168)	0.00	0.00
ER04	Updated Copier Plan	(6,248)	0.00	0.00
ER44	Agency Efficiency Credits for FMD O & M Charges	(122,834)	0.00	0.00
		<b>(258,250)</b>	<b>0.00</b>	<b>0.00</b>
<b>Technology Cost Savings</b>				
CS05	Online Board of Equalization Appeals	(10,000)	0.00	0.00
<b>Revenue Backed Changes</b>				
RB01	Personal Property Audit Team Pilot Program	139,944	2.00	0.00
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(132,288)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(36,736)	0.00	0.00
CR08	Technology Services Infrastructure Charge	5,544	0.00	0.00
CR09	Geographic Information Systems Charge	112,958	0.00	0.00
CR10	KCIT Operations Charge/Rebate	13,699	0.00	0.00
CR11	Telecommunications Services	(6,798)	0.00	0.00
CR12	Telecommunications Overhead	(4,803)	0.00	0.00
CR13	Motor Pool Rate Adjustment	4,564	0.00	0.00
CR14	Facilities Management Space Charge	(30,390)	0.00	0.00
CR25	Financial Service Charges	(27,331)	0.00	0.00
CR26	Retirement Rate Adjustment	31,832	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(21,992)	0.00	0.00
CR37	Facilities Management Strategic Initiative	502	0.00	0.00
CR48	Business Resource Center	59,527	0.00	0.00
		<b>(31,712)</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA01	Longevity Premium	41,900	0.00	0.00
TA02	Net-zero Changes to Align Accounts with Actual Expenditures	0	0.00	0.00
TA35	1.5 Percent Underexpenditure Adjustment	152	0.00	0.00
TA39	COLA Adjustment	139,298	0.00	0.00
		<b>181,350</b>	<b>0.00</b>	<b>0.00</b>
<b>2012 Proposed Budget</b>		<b>21,778,926</b>	<b>212.00</b>	<b>0.00</b>

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**2012 Proposed Budget for  
Assessments 0010/0670**

<b>Code/ Item#</b>	<b>Description</b>	<b>Expenditures</b>	<b>FTEs *</b>	<b>TLTs</b>
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\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

### Department of Assessments

#### ***PROGRAM HIGHLIGHTS***

The total 2012 Proposed Budget for the Department of Assessments is \$21,778,926, with funding for 212.00 FTEs. The 2012 Proposed Budget reflects a continued commitment to responsible resource management while supporting core functions, the King County Strategic Plan goals, and pursuing more efficient technologies on the part of the Assessor. In 2012, the department proposes a Personal Property Audit Team Pilot Program (PPAT) to contact, educate and audit taxpayers about Business Personal Property Tax. This program would help similar businesses to pay taxes consistently, in instances where one business may be currently adhering to law and paying personal property tax while a competing one may not, increasing fairness and equity in property tax collection. It also has the potential to recover unreported revenue.

#### **Adjustments to the 2011 Adopted Budget**

Adjustments to the 2011 Adopted Budget were made to incorporate inflation in labor for \$200,202, and other select operating costs including removing two 2011 one-time TLT Commercial Appraisers (\$166,696) and a 2011 one-time investment in technology budget (\$36,737). All of the adjustments result in a net decrease of \$11,540 from the 2011 Adopted Budget.

#### **Direct Service Changes**

**2 Commercial Appraiser 1 Positions - \$111,348, 2.00 FTE.** This proposal adds nine months of salary and benefits for two FTEs for Commercial Appraiser I positions to the Commercial Appraisals unit. The department indicates that the on-going staff shortage in Commercial Appraisals is preventing the agency from defending commercial appeals as vigorously as possible to preserve revenue.

**Fleet Vehicle Additions - \$45,000.** This proposal supports additional fleet vehicle usage by the department to reduce auto-related expenses by providing appraisers with Fleet vehicles disbursed across the County. One-time funding of \$15,490 is for the cost of refitting returned vehicles to use and \$29,510 is for ongoing operation and maintenance.

**Mobile Device Replacement and Related Costs - \$194,000.** This proposal provides funding to replace the department's outmoded mobile devices and related service, training, cellular service, and application development. This is intended to work in conjunction with the increased employee mobility addressed by fleet vehicle additions to get staff more time in the field collecting assessments. One-time costs are \$154,000 while \$40,000 is anticipated as ongoing.

**Translation Services - \$25,000.** The department added translation to customer service functions in 2011 and would like to expand to include website and phone-tree translation as well as a multi-language outreach booth for community outreach. This change aligns with the Executive Priority of Equity and Social Justice and the King County Strategic Plan goal of Service Excellence.

**King County Recorder's Office Fees - \$10,500.** Effective January 1, 2012, the King County Recorder's Office will begin collecting the fees, as mandated by RCW, from all County offices for recording documents and/or processing Real Estate Excise Tax affidavits. This estimate is based on recording 150 documents at \$70 per document.

## **HOW WE DELIVER**

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### **Administrative Service Changes**

**Auto Allowance with Full Runzheimer - \$115,000.** The 2011 budget contemplated replacing the Runzheimer Employee Auto Reimbursement Program with a blend of an alternative auto reimbursement plan and Fleet vehicle usage. However, ongoing negotiations with Teamster Local 763 have postponed the plan past 2012. This budget increase is necessary to meet contractual labor obligations under the Runzheimer program.

**Litigation Support - \$25,000.** This proposal provides budget to pay for expert testimony to better support commercial appeals cases and preserve revenues and provide a better appeals response.

### **Efficiency Reductions**

**Re-engineered Valuation Notice - (\$120,000).** The agency reduced the size of annual valuation notices sent to all real property owners, resulting in lower postage expenses: \$120,000 less cost in 2012 and \$110,000 in 2011.

**Pitney Bowes Lease Cancellation - (\$9,168).** This proposal for a lease cancellation saves cost by shifting mail processing to King County mail, and is estimated to save \$4,584 in 2011.

**Updated Copier Plan - (\$6,248).** This savings proposal was found due to less copies and more efficient machines.

**Building Occupancy Efficiency Reduction - (\$122,834).** In 2011 Assessments, in collaboration with Facilities Management, consolidated space in the Administration Building. The agency's occupied square footage has decreased by 9,883 square feet, which equates to a reduction of \$122,834 in Facilities operations and maintenance charges. The remainder of the change is reflected in the FMD central rate change.

### **Technology Cost Savings**

**Online Board of Equalization Appeals - (\$10,000).** This proposal would move Board of Equalizations appeals filing online in 2011 and completing implementation in 2012, in order to improve services to taxpayers, streamline appeals processing, and find business process efficiencies.

### **Revenue-Backed Changes**

**Personal Property Audit Team Pilot Program - \$139,944, 2.00 FTE.** This proposal provides salary and benefits funding for two Auditor Appraiser 1 positions to support a Personal Property Audit Team (PPAT) Pilot Program. Revenue needed to break even for the PPAT is about \$180,000. While the program would be staffed by the Department of Assessments, revenue would be accounted for in the General Fund as part of Property Taxes.

## **HOW WE DELIVER**

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### **Central Rate Changes**

**Central Rate Adjustments – (\$31,712).** This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in a net decrease in charges, primarily driven by lower projected benefit rates. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

### **Technical Adjustments**

**Longevity Premiums - \$41,900.** This adjusts for the longevity payment obligation per the 2011 Administrative Support Classifications Coalition Bargaining Unit agreement.

**Net-zero Changes to Align Accounts with Actual Expenditures - \$0.** Net-zero changes to align non-labor non-central rate budget accounts with actual expenditures in the department's budget.

**1.5 Percent Underexpenditure Adjustment – \$152.** In the 2012 proposed budget, the required underexpenditure rate for General Fund (GF) agencies is equal to 2 percent of expenditures that are not backed by specific contractual revenues. Of the required underexpenditure, 1.5 percent has been reduced from GF operating budgets to directly budget for assumed underexpenditure levels. A remaining central underexpenditure of one half of one percent is held in the GF Financial Plan, for a total assumption of 2 percent. Departments are expected to manage their appropriations to achieve the underexpenditure.

**COLA –\$139,298.** This adjustment provides funding for Office of Economic and Financial Analysis forecast for Cost of Living Adjustment (COLA) of 1.63 percent for Assessments' represented staff.

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# Elections

## DEPARTMENT OF ELECTIONS

### ***Mission:***

#### **Elections**

By conducting accurate, secure, and accessible elections, we provide an opportunity for the people of King County to participate in their government.

### **OVERVIEW**

King County Elections (KCE), through a collaborative staff effort, has developed a set of guiding principles known as our “PLEDGE” that articulates general policy direction for our operations.

**P**lan ahead and continuously improve our efficiency and our effectiveness;

**L**isten and learn from the public and each other to facilitate open and timely communication;

**E**ducate the public and each other about election processes;

**D**edicate ourselves to democracy by conducting fair and impartial elections;

**G**uide each other to fulfill our mission with excellence;

**E**ncourage everyone’s contribution for the success of our team.

### **2012 Key Issues**

**Ballot Discrepancy Improvement** – Since transitioning to vote-by-mail, the number of discrepancies per million mail ballots processed has continued to decrease significantly. When KCE was running both poll and mail ballot elections, mail ballot errors were 58 errors per million in 2005, and 82 errors per million in 2006. Transitioning to vote-by-mail helped focus KCE toward a single delivery method, and equipment acquisitions gave staff the tools they needed to make continued dramatic improvement in the number of ballot discrepancies. This improvement has resulted in zero ballot discrepancies starting in the 2009 General election. This level has been sustained for seven continuous elections, giving assurance that each voter has a voice in local government through the voting process.

**Decreased Use of Temporary Election Workers** – From 2005 through 2008 the department employed from 700 to 1,100 temporary election workers, working a combined 121,000 to 177,000 hours annually. The transition to all-mail voting, the acquisition of new technology, and ongoing process improvements has decreased the need for these workers. In 2009, the first year of all-mail voting, Elections employed 568 temporary election employees, working a combined 90,899 staff hours. In 2010, the second year of all-mail voting, Elections employed 479 temporary election employees, working a combined 86,663 hours. The cost for these employees has also decreased from \$2.7 million in 2008, the last Presidential election year, to \$1.4 million in 2010. In 2012 the cost of temporary election employees is anticipated to be about \$2.0 million. This is about \$700,000 and 28 percent less than in the last Presidential election.



## **HOW WE DELIVER**

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**Implementation of Election Administration Software** – Elections has recently implemented a fully functional software solution to develop, maintain, and monitor the tasks necessary to prepare for and conduct an election. This system supports the Department of Elections' objectives by:

- Ensuring Elections remains accountable for meeting statutory and other election-related requirements;
- Reducing the risks related to conducting an election by ensuring that all tasks are completed in a timely manner;
- Maintaining quality customer service by meeting established date commitments for posting information, including ballot tracking and registration status;
- Improving management oversight of elections by providing easy to use tools to monitor status. The software tool also provides the ability to maintain a history of tasks used in prior elections, which will help preserve institutional memory through any staff and management changes the department may experience.

**Transition to In-House Production of Voters' Pamphlet** – In 2010 the external contractor was removed and this work was replaced by in-house staff, resulting in the ability to more quickly respond to design and production changes. KCE is looking at different solutions to reduce waste and increase readability. In 2011 KCE introduced a new method of delivery during special elections that has continued to reduce cost to participating jurisdictions.

**2010 Census Redistricting** – Following the 2010 decennial census, Elections IT staff is required to implement the resulting voting district boundary changes that will occur due to Congressional, Legislative, and King County Council redistricting. IT staff will perform the necessary preparation for this major impact to voting district boundaries in King County, culminating with the major implementation effort in 2012. Staff training, IT process improvements, and quality control enhancements need to be supported to ensure technical readiness for this mandated effort. Elections may also need to plan for additional minority language translation requirements, impacting all processes in the organization. The impact of this mandate may require an increase in staffing, printing costs and changes to procedures. Complying with this policy change is mandated and therefore a high priority.

### **Executive Priorities as considered in 2012 Business Planning and Budget Development**

The Executive's 2012 priorities to advance the King County Strategic plan and inform the 2012 Proposed Budget spotlighted consideration of Equity and Social Justice ; attainment of three percent efficiency target while maintaining value and service levels; and KCSP alignment of agency goals, objectives, and services.

**Equity and Social Justice** – The King County Department of Elections implements fair and just principles based on the King County Equity and Social Justice Ordinance and the King County Strategic Plan to provide equitable opportunities for all people and communities identified in the following areas:

- Public engagement to establish a voter education outreach program and create a voter coalition of stakeholders representing the varied communities of King County interested in actively participating in the election process.
- Provide ESJ training and professional development opportunities to ensure that all Elections employees are informed, involved, and committed to equity and social justice.
- Provide translated documents and instructions for various languages for King County residents as dictated by State law.

**3 Percent Efficiency Goal** – The Elections budget was developed by applying the following criteria:

- Comply with existing Federal, State, and County policy mandates;
- Protect ability to deliver on core elections operations;
- Complete and sustain initiatives that are underway that achieve cost savings or operational efficiencies in core operations;
- Ensure provision of equipment that supports election operations;
- Meet the needs of growth in voter base;
- Address emerging, anticipated impacts associated with policy mandates;
- Continue to capitalize on efficiencies gained through the transition to vote-by-mail elections and the establishment of a consolidated elections facility; and more effectively target messages to our voters.
- Proactive stance on election legislation that offers cost efficiencies for counties.

## 2012 Proposed Budget for Elections 0010/0535

Code/ Item#	Description	Expenditures	FTEs *	TLTs
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	17,655,974	62.00	.83
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	77,501	0.00	(.83)
<b>Revenue Backed Changes</b>				
RB01	2012 Redistricting Mailing Special Project	348,250	0.00	0.00
RB02	Federally-Mandated 2010 Census Redistricting	233,919	0.00	2.25
RB03	New Language Translation Service	236,512	2.00	0.00
RB04	Voting Education Outreach	180,000	0.00	0.00
		<b>998,681</b>	<b>2.00</b>	<b>2.25</b>
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(44,856)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(21,895)	0.00	0.00
CR08	Technology Services Infrastructure Charge	22,487	0.00	0.00
CR09	Geographic Information Systems Charge	124,788	0.00	0.00
CR10	KCIT Operations Charge/Rebate	4,637	0.00	0.00
CR11	Telecommunications Services	(151)	0.00	0.00
CR12	Telecommunications Overhead	(1,220)	0.00	0.00
CR13	Motor Pool Rate Adjustment	977	0.00	0.00
CR14	Facilities Management Space Charge	(134,481)	0.00	0.00
CR21	Debt Service Adjustment	(997,801)	0.00	0.00
CR25	Financial Service Charges	(26,692)	0.00	0.00
CR26	Retirement Rate Adjustment	12,219	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(6,126)	0.00	0.00
CR36	Property Services Lease Administration Fee	(22,325)	0.00	0.00
CR37	Facilities Management Strategic Initiative	130	0.00	0.00
CR38	Major Maintenance Repair Fund	34,022	0.00	0.00
CR48	Business Resource Center	66,298	0.00	0.00
		<b>(989,989)</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA01	PSQ Correction: Adjust Expend to Reflect Presidential Election Year Cycle	2,203,052	0.00	0.00
ta03	PSQ revenue correction	0	0.00	0.00
TA35	1.5 Percent Underexpenditure Adjustment	(43,241)	0.00	0.00
TA39	COLA Adjustment	55,044	0.00	0.00
TA50	Revenue Adjustment (\$262,734)	0	0.00	0.00
		<b>2,214,855</b>	<b>0.00</b>	<b>0.00</b>
<b>2012 Proposed Budget</b>		<b>19,957,022</b>	<b>64.00</b>	<b>2.25</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

## **Department of Elections**

### ***PROGRAM HIGHLIGHTS***

The 2012 Proposed Budget for the Department of Elections is \$19,957,022 and includes funding for 64.00 FTEs.

#### **Adjustments to the 2011 Adopted Budget**

Adjustments to the 2011 Adopted Budget were made to incorporate inflation in labor and other select operating costs. All of the adjustments result in a net increase of \$77,501 from the 2011 Adopted Budget.

#### **Revenue-Backed Changes**

**2012 Redistricting Mailing - \$348,250 Expenditure / \$292,530 Revenue.** By April 8, 2012, upon final completion of the 2010 census redistricting precinct boundary changes by GIS and official adoption of new precincts and precinct lines by the County Council, King County Elections Voter Services will conduct a one-time mailing of over 1.2 million voter notification cards in accordance with RCW 29A.76.030. This is a special one-time mailing project required by RCW following the decennial census.

**Federally-Mandated 2010 Census Redistricting – \$233,919 Expenditure / \$316,680 Revenue / 2.25 TLTs.** Article 1, Section 2, of the United States Constitution requires that a census be taken every ten years for the purpose of apportioning the United States House of Representatives. These census results are used to determine the number of congressional seats apportioned to each state. Additionally, State of Washington RCW 29A states it is the responsibility of the County to redistrict its governmental unit based on population information from the most recent federal decennial census, and further, that within eight months after receiving federal census data, shall prepare a plan for redistricting. The effort began in 2011 and 2012 marks the final and full implementation.

**New Language Translation Service - \$236,512 Expenditure / \$60,000 Revenue / 2.00 FTE.** Elections currently provides election materials in Chinese language to meet the Department of Justice requirement set by the Voting Rights Act, Section 203. Additional languages may be required pending the final results from the decennial census. While federally mandated, this is also an opportunity to increase our Equity and Social Justice outreach.

**Voting Education Outreach - \$180,000 Expenditure / \$45,000 Revenue.** Public service announcements (PSAs) have been a cornerstone of Elections' outreach and education campaigns since the transition from poll voting to voting by mail. Increasing voter education and outreach is a key goal in the Department of Elections business plan. There is a direct link between the cost of administering elections and the level of awareness of the voting population with respect to filling out and returning ballots. Our primary stakeholders are the over 1.1 million registered voters and the additional citizens who are eligible, but have not yet registered, to vote. Past experience has demonstrated a significant increase in voter activity (both new voter registration as well as participation by existing voters) in presidential year elections. Ensuring that these voters understand how to vote correctly is an important component of administering the 2012 General Election within the Proposed Budget.

### **Technical Adjustments**

**Adjust Expenditures to Reflect Presidential Election Year Cycle - \$2,203,052.** 2012 is a Presidential election year and marks the high point in the four-year election cycle. There will be expenditure adjustments in postage, printing and binding, overtime, and temporary labor in order to accommodate the high volume work load. 2012 will also be the first Presidential election year that is entirely vote by mail. This increase will be reversed in 2013 to reflect the lower election participation.

**1.5 Percent Underexpenditure Adjustment – (\$43,241).** In the 2012 proposed budget, the required underexpenditure rate for General Fund (GF) agencies is equal to two percent of expenditures that are not backed by specific contractual revenues. Of the required underexpenditure, 1.5 percent has been reduced from GF operating budgets to directly budget for assumed underexpenditure levels. A remaining central underexpenditure of one half of one percent is held in the GF Financial Plan, for a total assumption of two percent. Departments are expected to manage their appropriations to achieve the underexpenditure.

**COLA - \$55,044.** This amount reflects the change from the preliminary Office of Economic and Financial Analysis forecast for Cost of Living Adjustment (COLA), which was 1.77 percent, to the final 2012 COLA rate of 1.63 percent. However, Elections also had a number of employees represented by a union that had a 0 percent COLA rate erroneously entered earlier in the budget, so the adjustment to the rate of 1.63 percent was an increase in the budget for those personnel.

### **Central Rate Changes**

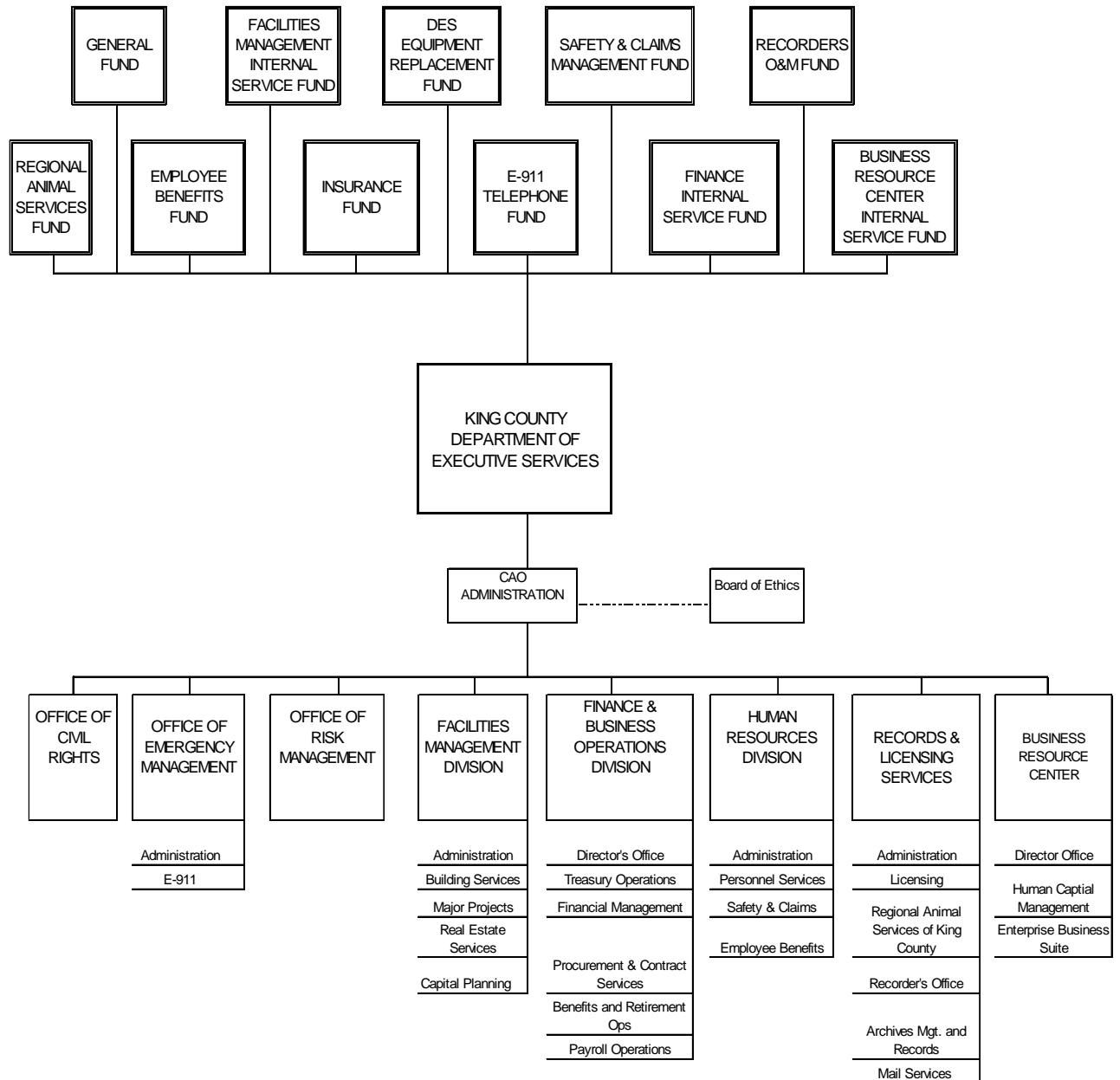
**Central Rate Adjustments – (\$989,989).** This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in a decrease in charges to the agency. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

Use this page for notes.

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## Executive Services

## Department of Executive Services Organization Chart





## ***DEPARTMENT OF EXECUTIVE SERVICES***

***Mission:***

**Executive Services**

To be the provider of choice by providing King County agencies, municipalities and the public with effective and efficient general government services.

### ***OVERVIEW***

The Department of Executive Services (DES) was established in January 2002 to provide nearly all internal services to King County government and a variety of public services to its citizens. DES was formed as a result of the County's reorganization of four departments (Construction and Facilities Management, Finance, Human Resources and Information and Administrative Services) into one large department. The purpose of this consolidation was to assist in balancing the general fund revenue shortfall while minimizing the impacts on direct public services. This was achieved through efficiencies, reducing administrative costs and placing internal services under one department.

The Department of Executive Services includes the following divisions and offices:

- Department of Executive Services Administration
- Alternative Dispute Resolution Program (ADR)
- Board of Ethics
- Office of Civil Rights (OCR)
- Business Resource Center (BRC)
- Finance and Business Operations Division (FBOD)
- Facilities Management Division (FMD)
- Human Resources Division (HRD)
- Records and Licensing Services Division (RALS)
- Office of Risk Management (ORM)
- Office of Emergency Management (OEM)and

### **Department of Executive Services Administration**

DES Administration includes the Office of Civil Rights, the Civil Rights Commission, the Board of Ethics, the Alternative Dispute Resolution Program, and the DES Director's Office.

DES provides services to both internal and external clients. The Director's Office provides oversight and coordination of the Executive Service divisions and offices, leadership on special projects and initiatives, and assistance on Public Disclosure Requests. The Office of Civil Rights and Civil Rights Commission serve in an advisory capacity to the Executive and County Council on civil rights issues, provide enforcement of county ordinances prohibiting discrimination, and work with county agencies and the public to ensure compliance with civil rights and access to government for people with disabilities. The Board of Ethics office works to expand ethics awareness and address contemporary issues. The Alternative Dispute

## **HOW WE DELIVER**

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Resolution Program provides facilitation, mediation and conflict resolution services for county agencies and the Interlocal Conflict Resolution Group (ILCRG), and trains employees and volunteers in these skills. The Director's Office work in providing oversight for the Accountable Business Transformation (ABT) Program and internal service funds strongly supports the Financial Stewardship and Service Excellence goals of the King County Strategic Plan. Specifically, it speaks to Service Excellence Strategy 2.a: "Implement a unified management system for county operations including budgeting, performance management, service delivery and strategic planning," and Financial Stewardship Objective 2: "Plan for the long-term sustainability of county services."

The Office of Civil Rights ties strongly to Public Engagement Objective 1: "Expand opportunities to seek input, listen, and respond to residents."

### **2012 Key Issues**

**Accountable Business Transformation (ABT) Transition Oversight** -The Director's Office anticipates considerable work in providing coordination and oversight to ensure the success of the ABT project in 2012.

**Business Resource Center (BRC) in 2012** -The follow-on to the ABT project transition, the BRC, will also require coordination in its first full year of operation to support new business processes and systems countywide.

**Oversight of Space Plan Consolidation Efforts** - In 2012 DES Administration will consolidate its own office space with the Alternative Dispute Resolution Program and the Ethics Office to the first floor of the Chinook Building. The Director's Office anticipates that providing assistance and consultation to the Facilities Management Division and DES agencies in coordinating and realizing savings in the space plan consolidation efforts will continue in 2012.

### **Executive Priorities as considered in 2012 Business Planning and Budget Development**

The Executive's priorities, as expressed in the 2012 Proposed Budget, are to advance the Equity and Social Justice Initiative; ensure that goals objectives, and services are aligned with the King County Strategic Plan; and achieve efficiency savings of three percent while maintaining current service levels. DES Administration's 2012 Proposed Budget supports these priorities in the following ways:

**Equity and Social Justice** - DES has made concerted efforts to meet the objectives of the ESJ interbranch team:

- Consider equity impacts in all decision-making;
- Build community trust and capacity;
- Improved customer service;
- Robust civic engagement;
- Promote fairness and opportunity in County government practices.

## HOW WE DELIVER

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Specific efforts throughout DES divisions and offices will meet each of the objectives. Beginning in 2011 and continuing through 2012 the ADR Office will evaluate a pilot of a social justice mediation model and look to expand its use.

OCR will continue to provide public outreach and education on civil rights. Many of its materials are translated into multiple languages. OCR is reviewing its outreach materials and demographic data to ensure its translations match current needs and the County Executive's Order on Translations. OCR efforts are integral to ESJ implementation, including support of King County awareness and Title VI non-discrimination training.

**3 Percent Efficiency Goal** - The Director's Office plans to realize more than a three percent efficiency by refining a service delivery model for Alternative Dispute Resolution and consolidating office space. In addition, it functions as an oversight office for Executive Service divisions in their work to maintain service and quality levels while continuing to seek innovative means to achieve efficiency goals.

**2012 Proposed Budget for  
Executive Services Administration 0010/0417**

Code/ Item#	Description	Expenditures	FTEs *	TLTs
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	3,249,777	22.50	0.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	78,810	0.00	0.00
<b>Efficiency Reductions</b>				
ER01	Efficiency Reduction - Vacant ADR Mediator Position	(122,009)	(1.00)	0.00
ER44	Building Occupancy Efficiency Reduction	(7,086)	0.00	0.00
		<b>(129,095)</b>	<b>(1.00)</b>	<b>0.00</b>
<b>Technology Cost Savings</b>				
CS02	Information Technology Reorganization	(673,717)	(5.00)	0.00
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(5,988)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	22,292	0.00	0.00
CR08	Technology Services Infrastructure Charge	12,998	0.00	0.00
CR09	Geographic Information Systems Charge	(159)	0.00	0.00
CR10	KCIT Operations Charge/Rebate	1,286	0.00	0.00
CR11	Telecommunications Services	(732)	0.00	0.00
CR12	Telecommunications Overhead	(456)	0.00	0.00
CR13	Motor Pool Rate Adjustment	2,066	0.00	0.00
CR14	Facilities Management Space Charge	24,360	0.00	0.00
CR16	Radio Access	405	0.00	0.00
CR17	Radio Maintenance	313	0.00	0.00
CR21	Debt Service Adjustment	1	0.00	0.00
CR22	Long Term Leases	106,410	0.00	0.00
CR25	Financial Service Charges	(4,882)	0.00	0.00
CR26	Retirement Rate Adjustment	15,226	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(1,301)	0.00	0.00
CR36	Property Services Lease Administration Fee	1,995	0.00	0.00
CR37	Facilities Management Strategic Initiative	(14)	0.00	0.00
CR44	DES LAN Administration Costs	(10,240)	0.00	0.00
CR48	Business Resource Center	5,210	0.00	0.00
CR50	IT Re-Organizational Transfer	596,293	0.00	0.00
		<b>765,083</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA01	Transfer Communications Manager to DES Admin	121,486	1.00	0.00
TA02	Correct Historical Contra Reflecting Cost-Sharing	128,336	0.00	0.00
TA35	1.5 Percent Underexpenditure Adjustment	(687)	0.00	0.00
TA39	COLA Adjustment	(13,765)	0.00	0.00
TA40	Merit Adjustment	(6,764)	0.00	0.00
TA50	Revenue Adjustment (\$24,844 Revenue)	0	0.00	0.00
		<b>228,606</b>	<b>1.00</b>	<b>0.00</b>
<b>2012 Proposed Budget</b>		<b>3,519,464</b>	<b>17.50</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

### Executive Services Administration

#### ***PROGRAM HIGHLIGHTS***

The total 2012 Proposed Budget for DES Administration is \$3,519,464 with funding for 17.50 FTEs. The Director's Office proposes to meet slightly more than its 3 percent efficiency by eliminating a vacant Alternative Dispute Resolution (ADR) position in 2012. The office also plans to shift information technology and communications resources to better align with countywide plans and business needs, and realize facilities savings by consolidating its space footprint.

#### **Adjustments to the 2011 Adopted Budget**

Adjustments to the 2011 Adopted Budget were made to incorporate inflation in labor of \$61,730 and other select operating costs (\$20,500). All of the adjustments result in a net increase of \$78,810 from the 2011 Adopted Budget.

#### **Efficiency Changes**

**Efficiency Reduction - Vacant ADR Mediator Position – (\$122,009), (1.00) FTE -** DES Administration proposes to meet its 2012 efficiency goal by reducing an Alternative Dispute Resolution (ADR) Mediator position, vacant since March 2011. The agency has mitigated the impact by retraining and further utilizing the over 100 volunteer mediators ADR has trained in the past. These volunteer mediators and regional partners will provide less critical services while focusing remaining ADR staff on the provision of more critical, labor intensive customer mediation services.

**Building Occupancy Efficiency Reduction – (\$7,086).** In 2011 the DES Director's Office, in collaboration with Facilities Management, consolidated space and moved staff from the Yesler building to existing an footprint in the Chinook building. DES Administration's occupied square footage has decreased by 764 square feet, which equates to a reduction of \$7,086 in Facilities operations and maintenance charges.

#### **Technology Cost Savings**

**Information Technology Reorganization - (\$673,717) / (5.00 FTEs).** Salary, benefits and technology resources are transferred to the Information Technology (IT) Services fund to consolidate Executive branch IT budgets into one fund with oversight and management by the Chief Information Officer. DES Administration will pay for IT services via central rate CR50, which offsets the transfer.

#### **Central Rate Changes**

**Central Rate Adjustments – \$765,083.** This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in a net increase in charges. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

## **HOW WE DELIVER**

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### **Technical Adjustments**

**Transfer Communications Manager to DES Administration - \$121,486 Expenditure, \$75,829 Revenue, 1.00 FTE.** This proposal transfers a Communication Manager from Real Estate Services in FMD to DES Administration for logistical efficiency. 60 percent of the salary will be reimbursed by FMD.

**Adjustment to Correct Historical Cost-Sharing - \$128,336.** This increase fixes a placeholder amount which previously reflected loan-in labor for two-thirds of a Project Program Director Position, supported by ABT and the Health Reform Initiative in 2010. The position was eliminated in 2011 and this proposal aligns the placeholder with that change.

**1.5 Percent Underexpenditure Adjustment – (\$687).** In the 2012 proposed budget, the required underexpenditure rate for General Fund (GF) agencies is equal to 2 percent of expenditures that are not backed by specific contractual revenues. Of the required underexpenditure, 1.5 percent has been reduced from GF operating budgets to directly budget for assumed underexpenditure levels. A remaining central underexpenditure of one half of one percent is held in the GF Financial Plan, for a total assumption of 2 percent. Departments are expected to manage their appropriations to achieve the underexpenditure.

**COLA – (13,765).** This amount reflects the change from the preliminary Office of Economic and Financial Analysis forecast for Cost of Living Adjustment (COLA), which was 1.77 percent, to the final 2012 COLA rate of 1.63 percent.

**Merit Adjustment – (\$6,764).** Merit was calculated based on 2.4 percent of all salaries, discounted for any step 10 positions not eligible for merit and vacant positions for 2012.

**Revenue Adjustment \$24,844.** This item aligns projected revenues with 2012 anticipated revenues from the position cost-sharing and cost recovery from DES agencies, as well as projected interest rates per the Office of Economic and Financial Analysis.

### **Department of Executive Services – DES IT Equipment Replacement**

The total 2012 Proposed Budget for DES IT Equipment Replacement is \$364,087, and this amount supports DES agencies' equipment replacement schedules and needs.

**PC & Server Equipment Reduction - (\$4,222).** This change aligns the budgeted PC and server equipment accounts with the 2012 replacement schedule.

### **Central Rate Change**

**Central Rate Adjustments – (\$6,386).** This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in a net decrease in charges to DES IT Equipment Replacement in Finance and Business Resource Center rates. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

### **Technical Adjustments**

**Revenue Adjustment (\$9,274).** This item aligns projected revenues with 2012 anticipated revenues from DES agencies.

**2012 Proposed Budget for  
DES Equipment Replacement 5461/0023**

Code/ Item#	Description	Expenditures	FTEs *	TLTs
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	374,695	0.00	0.00
<b>Technology Cost Savings</b>				
CS05	PC & Server Equipment Reduction	(4,222)	0.00	0.00
<b>Central Rate Changes</b>				
CR25	Financial Service Charges	(6,692)	0.00	0.00
CR48	Business Resource Center	306	0.00	0.00
		<b>(6,386)</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA50	Revenue Adjustment (\$9,274 Revenue)	0	0.00	0.00
<b>2012 Proposed Budget</b>		<b>364,087</b>	<b>0.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

**2012 Proposed Financial Plan**  
**DES IT Equipment Replacement Fund/DES Equipment Replacement 5461/0023**

	<b>2010 Actual <sup>1</sup></b>	<b>2011 Adopted</b>	<b>2011 Estimated <sup>2</sup></b>	<b>2012 Proposed</b>	<b>2013 Projected <sup>3</sup></b>	<b>2014 Projected <sup>3</sup></b>
Beginning Fund Balance	1,415,141	1,423,013	1,399,695	1,356,936	1,383,445	1,383,718
<b>Revenues</b>		-				
* PC replacement contributions	375,794	387,125	320,000	377,851	389,187	400,862
* Interest earnings	12,534	12,745	7,505	12,745	4,150	4,151
	-	-	-	-	-	-
<b>Total Revenues</b>	<b>388,328</b>	<b>399,870</b>	<b>327,505</b>	<b>390,596</b>	<b>393,337</b>	<b>405,013</b>
<b>Expenditures</b>						
* PC or Thin Client equipment purchases	(210,326)	(174,386)	(158,983)	(188,164)	(193,357)	(198,288)
* Financial Mgmt & BRC Charges <sup>4</sup>	(13,438)	(6,562)	(6,562)	(176)	(181)	(187)
* 20% server contingency	-	(18,000)	-	-	-	-
* Microsoft EA purchases	(180,010)	(175,747)	(204,719)	(175,747)	(199,525)	(199,525)
	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>(403,774)</b>	<b>(374,695)</b>	<b>(370,264)</b>	<b>(364,087)</b>	<b>(393,064)</b>	<b>(398,000)</b>
Estimated Underexpenditures						
Other Fund Transactions	-	-	-	-	-	-
Total Other Fund Transactions	-	-	-	-	-	-
Ending Fund Balance	<b>1,399,695</b>	<b>1,448,188</b>	<b>1,356,936</b>	<b>1,383,445</b>	<b>1,383,718</b>	<b>1,390,732</b>
Reserves & Designations						
*Reserve for future replacement <sup>5</sup>	(1,379,506)	(1,443,216)	(1,338,423)	(1,365,241)	(1,364,065)	(1,370,832)
	-	-	-	-	-	-
Total Reserves & Designations	(1,379,506)	(1,443,216)	(1,338,423)	(1,365,241)	(1,364,065)	(1,370,832)
Ending Undesignated Fund Balance	20,189	4,972	18,513	18,204	19,653	19,900
Target Fund Balance <sup>6</sup>	20,189	8,719	18,513	18,204	19,653	19,900

**Financial Plan Notes:**

<sup>1</sup> 2010 Actuals are from the 14th Month IBIS.

<sup>2</sup> 2011 Estimated is based on June 2011 revised estimate and CIO PC spending restrictions.

<sup>3</sup> 2013 and 2014 Projected are based on 3% inflation factor.

<sup>4</sup> The Business Resource Center (BRC) provides support for the Accountable Business Transformation (ABT) System in 2012 and beyond.

<sup>5</sup> Reserve is target fund balance minus annual ending balance.

<sup>6</sup> Target fund balance is based on 5% of expenditures.



## ***BUSINESS RESOURCE CENTER***

### ***Mission:***

#### **Business Resource Center**

To provide responsive, up-to-date professional, functional and technical support to King County's financial, human resource and budgetary business applications.

### ***OVERVIEW***

2012 will be the first full year of operation for the Business Resource Center (BRC). The BRC will assume the responsibility of maintaining the ABT enterprise systems and supporting County users as the county moves from initial conversion to stabilization and benefits realization. The BRC mission aligns with the following Service Excellence strategies in support of objective 2: "Build a culture of performance and improve the effectiveness and efficiency of county programs, services, and systems"

**2.a.** "Implement a unified management system for County operations including budgeting, performance management, service delivery, and strategic planning"

**2. b.** "Adopt new technologies and processes that allow County agencies to work more effectively and efficiently"

**2.d.** "Provide cost-effective, accountable, and responsive internal services"

The BRC is organized into three sections:

**Director's Office:** The Director provides overall guidance and support to operational staff within the Center. The Director's Office address all of the operational tasks such as payroll, human resources, supplies, facilities, office equipment, budgeting, and contract maintenance. The Director's Office also includes the operations and maintenance (O&M) accounts for the Center. Over time, the O&M accounts will represent a significant proportion of the expenses of the Center as the ABT project concludes in the first quarter of 2012. Establishing a culture of outstanding customer service will be a focus of the Director's Office.

**Human Capital Management Section:** The Human Capital Management (HCM) Section is responsible for the PeopleSoft applications support. It includes the application support of payroll and human resources functions. The section is responsible for functional support of end users. It is also responsible for providing business needs information to technical staff. HCM technical staff will ensure that the application software is developed in conformance with end users' needs.

**Enterprise Business Systems Section:** The Enterprise Business Systems (EBS) section is responsible for supporting all functional and technical application support requirements of the King County's central financial system. The section will also ensure that all budget business application support needs are met through the services of the functional and technical staff members of the section.

### **2012 Key Issues**

2012 will be the first full year of operation for the Business Resource Center (BRC). 2012 will be a significant transition year for the ABT financial and payroll systems and represents the primary management focus for the BRC in terms of supporting county agencies through this cut over.

## **HOW WE DELIVER**

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”Go Live” with the newly implemented Oracle Financial systems: As the ABT program concludes, a major milestone of conversion to Oracle Financial Systems will take place on January 1, 2012. The go-live date will accompany considerable King County organizational change and education opportunities. The BRC will provide support through the initial change process and maintenance post-implementation. Many of the processes to be put in place will be new to the customers. The newly implemented system will be supported with a new organization with newly hired staff. The “newness” will be both a challenge and an opportunity for the BRC.

**Organizational Creation:** 2012 will include the actual establishment and operations of the Business Resource Center and the conversion to or the expansion of the major applications it will support. The creation of the Business Resource Center itself to be a functioning organization will be a major change driver throughout the year. The creation will include the establishment of an effective governance process which is dependable and transparent to the customers and a new organizational culture.

**BRC Fund Creation and Increased Costs:** To maintain the ABT investment overtime, the Executive proposes to build the financial reserves needed for software upgrades and retaining the necessary staff within the BRC to provide for long term support of the county’s financial systems. For 2012, the amount accrued for this future cost is approximately \$2.1 million county-wide.

### **Executive Priorities**

The Executive’s priorities, as expressed in the 2012 Proposed Budget, are to advance the Equity and Social Justice Initiative; ensure that goals objectives, and services are aligned with the King County Strategic Plan; and achieve efficiency savings of three percent while maintaining current service levels. BRC’s 2012 Proposed Budget supports these priorities in the following ways:

**Equity and Social Justice** - As a new internal service fund, the BRC supports the County’s equity and social justice priority in multiple ways: direct support of in the development of agencies’ use of reporting functions in support of ESJ goals; and indirectly through increased efficiencies allowing for redirection of resources from non value added activities to higher value activities such as ESJ aspects of direct service.

The BRC plans to provides a linkage between enterprise system reporting capabilities and ESJ goals progress in both direct and indirect ways. The BRC Functional Analysts will work with customers to ensure that reports are developed in a manner to track ESJ efforts. Further, through the increased efficiency of core business processes facilitated by the new systems, staff in direct service agencies will have additional time that can be focused on forwarding ESJ priorities.

**3 Percent Efficiency Goal** – In 2012 the BRC is expected to help County agencies achieve efficiencies by enabling standardization and streamlining of operations and business practices.

**2012 Proposed Budget for  
Business Resource Center 5490/0187**

Code/ Item#	Description	Expenditures	FTEs *	TLTs
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	4,122,739	19.83	0.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	2,257,591	18.17	0.00
<b>Revenue Backed Changes</b>				
RB01	BRC Director's Office - Post Implementation Staffing and O&M	2,658,946	2.00	0.00
RB02	Staffing Adjustments for HCM and EBS sections	(108,558)	1.00	0.00
		<b>2,550,388</b>	<b>3.00</b>	<b>0.00</b>
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(31,368)	0.00	0.00
CR05	General Fund Overhead Adjustment	(78,989)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(334,575)	0.00	0.00
CR08	Technology Services Infrastructure Charge	4,834	0.00	0.00
CR10	KCIT Operations Charge/Rebate	1,627	0.00	0.00
CR22	Long Term Leases	142,026	0.00	0.00
CR26	Retirement Rate Adjustment	(27,328)	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(1,602)	0.00	0.00
CR36	Property Services Lease Administration Fee	2,650	0.00	0.00
CR37	Facilities Management Strategic Initiative	183	0.00	0.00
CR44	DES LAN Administration Costs	39,787	0.00	0.00
CR46	KCIT Technology Projects	11,049	0.00	0.00
		<b>(271,706)</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA39	COLA Adjustment	(6,034)	0.00	0.00
TA50	Revenue Adjustment	0	0.00	0.00
		<b>(6,034)</b>	<b>0.00</b>	<b>0.00</b>
<b>2012 Proposed Budget</b>		<b>8,652,978</b>	<b>41.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

### Business Resource Center

#### *PROGRAM HIGHLIGHTS*

The 2012 Proposed Budget for the BRC is \$8,652,978 and includes funding for 41.00 FTEs.

#### **Adjustments to the 2011 Adopted Budget**

Adjustments to the 2011 Adopted Budget were made to incorporate inflation in labor and other select operating costs. All of the adjustments result in a net increase of \$2,257,591 from the 2011 Adopted Budget, nearly all of which was due to salary and benefits costs in annualizing the 6 months of operating costs in 2011 to the full 12 months of service in 2012.

#### **Revenue-Backed Changes**

**BRC Director's Office – Post Implementation Staffing and Operations and Maintenance – \$2,658,946 Expenditures / \$3,240,357 Revenues / 2.00 FTEs.** Internal technical support services will be organized under the Director's office. The remaining positions which were partially funded for 2011 will be fully funded for 2012. The organization and the filling of the positions will allow the BRC to engage its duties in the maintenance of the enterprise wide systems delivered by the ABT program.

**Staffing Adjustments for HCM and EBS sections – (\$108,558) / 1.00 FTE.** The change completes the transition of positions from KCIT and PSB. It also documents a shift of a position to the BRC Director's Office.

#### **Central Rate Changes**

**Central Rate Adjustments – (\$271,706).** This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in a decrease in charges to the agency. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

#### **Technical Changes**

**COLA - (\$6,034).** This amount reflects the change from the preliminary Office of Economic and Financial Analysis forecast for Cost of Living Adjustment (COLA), which was 1.77 percent, to the final 2012 COLA rate of 1.63 percent.

**2012 Proposed Financial Plan**  
**Business Resource Fund/Business Resource Center 5490/0187**

	2010 Actual <sup>1</sup>	2011 Adopted	2011 Estimated <sup>2</sup>	2012 Proposed	2013 Projected <sup>2</sup>	2014 Projected <sup>2</sup>
Beginning Fund Balance	-	-	-	385,230	4,643,544	8,170,881
<b>Revenues</b>						
Internal Service Rate	-	4,376,319	4,376,319	12,738,233	12,738,233	12,738,233
	-	-	-	-	-	-
	-	-	-	-	-	-
<b>Total Revenues</b>	-	<b>4,376,319</b>	<b>4,376,319</b>	<b>12,738,233</b>	<b>12,738,233</b>	<b>12,738,233</b>
<b>Expenditures</b>						
* Operating Expenditures - Salaries & Benefits	-	(2,615,966)	(2,615,966)	(4,776,089)	(5,134,296)	(5,519,368)
* Operating Expenditures - O&M	-	(1,506,773)	(1,506,773)	(3,876,889)	(4,264,578)	(4,691,036)
Savings	-	-	50,199	-	-	-
	-	-	-	-	-	-
<b>Total Expenditures</b>	-	<b>(4,122,739)</b>	<b>(4,072,540)</b>	<b>(8,652,978)</b>	<b>(9,398,874)</b>	<b>(10,210,404)</b>
Estimated Underexpenditures		82,455	81,451	173,060	187,977	204,208
Other Fund Transactions	-	-	-	-	-	-
	-	-	-	-	-	-
Total Other Fund Transactions	-	-	-	-	-	-
Ending Fund Balance	-	336,035	385,230	4,643,544	8,170,881	10,902,919
<b>Reserves &amp; Designations</b>						
* Future Upgrade Reserve		(200,000)	(212,353)	(2,388,145)	(4,916,992)	(7,630,666)
* Rate Stabilization Reserve	-	-	-	(1,946,615)	(2,922,728)	(2,916,746)
Total Reserves & Designations	-	(200,000)	(212,353)	(4,334,760)	(7,839,720)	(10,547,412)
Ending Undesignated Fund Balance	-	136,035	172,877	308,784	331,161	355,507
Target Fund Balance <sup>4</sup>	-	123,682	122,176	259,589	281,966	306,312

**Financial Plan Notes:**

<sup>1</sup> 2010 Actuals is not applicable since this is a new fund starting 2011

<sup>2</sup> 2012 Projected assumes the annualized level of staffing and reduced OIRM charges due to the retirement of legacy system.  
2013 and 2014 Projected are based on no increase in rates from the 2012 level; salaries and benefits growth at 7.5%; O&M expenditure growth at 10%.

<sup>3</sup> Estimated underexpenditure is 2% of total expenditures. This will be re-evaluated over time.

<sup>4</sup> Target fund balance is based on 3% of the sum of total expenditures and underexpenditure.

<sup>5</sup> Equipment replacement reserve is for future hardware and software upgrade with estimated cost of \$4 million per system per every 5 years.

## ***FACILITIES MANAGEMENT DIVISION***

***Mission:***

**Facilities Management Division**

Recognized for planning, developing, protecting and managing excellent facilities supporting the County's delivery of quality public services.

***OVERVIEW***

The Facilities Management Division (FMD) of DES provides clean, safe, secure, environmentally sustainable and cost-effective facilities for King County and the public. FMD is also responsible for designing and managing capital construction projects that are responsive to customer needs, are on time and within budget. FMD is also transitioning to a sustainable in-house print shop providing to King County agencies high quality, cost effective digital product and scanning services. These broad service roles of FMD principally support the Service Excellence and Financial Stewardship How Goals of the Strategic Plan.

As managers of the Real Estate Services (RES) group, FMD also provides leadership in the management of King County owned real estate and implementing policy direction on real estate matters including leasing, sales, acquisitions, permitting and investments while facilitating and overseeing an effective asset management system that proactively manages the County's real estate portfolio.

### **2012 Key Issues**

FMD is tasked with a significant workload in 2012 related to the ongoing space consolidation, as well as the maintenance and strategic planning on capital facilities and building services. In addition, there are major changes in the FMD's approach to County printing services. These tasks are summarized as follows:

**Space Planning** - Complete comprehensive space plan, linking the current and future real property portfolio, including undeveloped land and existing facilities, with the County's strategic plan and core business strategies. Document existing and future functional space needs; document the County's real estate portfolio including leases and asset condition reports. Develop strategic options for future use of the County's real estate portfolio.

**Capital Planning** - Plan and implement facility designs for major capital projects that support the long term improvement of client agency services, balanced with forecasted budget constraints. Use the most cost effective project delivery system while working with the Office of Performance, Strategy, and Budget (PSB) and tenants to keep scope in line with anticipated resources. Closely manage construction projects.

**Building Services** - Conduct an assessment of Building Services' service delivery model and take steps to adjust the application of resources in light of consolidations or closures of FMD operated buildings. Conduct a formal assessment and analysis of custodial services and adjust base service levels to reflect actual resources as recommended in the Council audit. Improve communication and customer service to building tenants. Implement a communications and reporting system that is consistent with PSB performance measures and County Council oversight requirements. Continue emphasis on identifying and implementing Energy Conservation efforts and initiatives.

## **HOW WE DELIVER**

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**Print Shop Transition** - Transition the Print Shop's business model to digital copy and scanning services only and eliminate the press printing line of business in order to improve the chances for a financially viable set of services. Work closely with the Records and Licensing Services Division to ensure coordination and communication to county agencies on appropriate records management and available scanning services.

### **Executive Priorities as considered in 2012 Business Planning and Budget Development**

The Executive's 2012 priorities to advance the King County Strategic Plan and inform the 2012 Proposed Budget spotlighted consideration of Equity and Social Justice; attainment of the three percent efficiency target while maintaining value and service levels; and KCSP alignment of agency goals, objectives and services. To that end, FMD proposes the following actions:

**Equity and Social Justice** – FMD's impact in the community has several connections to the work of the equity and social justice initiative. FMD works to include and utilize Small Contractors and Suppliers certified firms in support of maintenance and capital development of FMD buildings whenever possible. FMD also prioritizes capital work that will improve accessibility to facilities. Real Estate Services also works to support the County's Affordable Housing development initiatives through the disposition of surplus property.

**3 Percent Efficiency Goal** – In 2012 FMD's major contribution to countywide efficiencies is achieved through the finalization of the Countywide Space Plan and efforts to more efficiently use FMD operated facilities. The resulting savings in labor and other operating costs contribute to a reduction of costs to the county.

## 2012 Proposed Budget for

### Facilities Management Internal Service 5511/0601

Code/ Item#	Description	Expenditures	FTEs *	TLTs
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	47,465,129	328.50	0.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	63,856	0.00	0.00
<b>Direct Service Changes</b>				
DS04	Transfer Parks CIP PMs	(394,055)	(3.00)	0.00
DS05	Reduce Print Press Business	(664,216)	(4.00)	0.00
DS07	Parks CIP Staffing reductions	(230,519)	(1.75)	0.00
		<b>(1,288,790)</b>	<b>(8.75)</b>	<b>0.00</b>
<b>Efficiency Reductions</b>				
ER01	Consolidate & Close Building	(1,213,003)	(1.00)	0.00
ER02	Mothball Costs for Building Closure	111,479	.50	0.00
		<b>(1,101,524)</b>	<b>(.50)</b>	<b>0.00</b>
<b>Technology Cost Savings</b>				
CS02	Information Technology Reorganization	(119,418)	(1.00)	0.00
<b>Program Changes</b>				
PC01	Transfer Project/Program Mgr & CIP Advisor from RES	255,712	2.00	0.00
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(219,420)	0.00	0.00
CR05	General Fund Overhead Adjustment	(10,331)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(10,988)	0.00	0.00
CR08	Technology Services Infrastructure Charge	71,880	0.00	0.00
CR10	KCIT Operations Charge/Rebate	22,246	0.00	0.00
CR11	Telecommunications Services	(2,811)	0.00	0.00
CR12	Telecommunications Overhead	(5,128)	0.00	0.00
CR13	Motor Pool Rate Adjustment	11,237	0.00	0.00
CR15	Insurance Charges	62,271	0.00	0.00
CR16	Radio Access	371	0.00	0.00
CR17	Radio Maintenance	(157)	0.00	0.00
CR18	Radio Direct Charges	(1,796)	0.00	0.00
CR19	Radio Reserve Program	(442)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	65,739	0.00	0.00
CR21	G.O. Debt Service Adjustment	(309,766)	0.00	0.00
CR22	Long Term Leases	99,495	0.00	0.00
CR25	Financial Service Charges	56,092	0.00	0.00
CR26	Retirement Rate Adjustment	47,923	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(35,111)	0.00	0.00
CR36	Property Services Lease Administration Fee	1,447	0.00	0.00
CR38	Major Maintenance Repair Fund	(1,228)	0.00	0.00
CR44	DES LAN Administration Costs	5,454	0.00	0.00
CR46	KCIT Technology Projects	80,553	0.00	0.00
CR48	Business Resource Center	621,512	0.00	0.00
CR50	IT Re-Organizational Transfer	122,363	0.00	0.00
		<b>671,405</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA01	Adjust Finance Charge	(16,245)	0.00	0.00
TA50	FMD Revenue Adjustment -- (\$1,691,275)	0	0.00	0.00
		<b>(16,245)</b>	<b>0.00</b>	<b>0.00</b>
<b>2012 Proposed Budget</b>		<b>45,930,125</b>	<b>320.25</b>	<b>0.00</b>



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**2012 Proposed Budget for**

**Facilities Management Internal Service 5511/0601**

<b>Code/ Item#</b>	<b>Description</b>	<b>Expenditures</b>	<b>FTEs *</b>	<b>TLTs</b>
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\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

### Facilities Management Internal Service Fund

#### ***PROGRAM HIGHLIGHTS***

The 2012 Proposed Budget for Facilities Management Division Internal Service Fund is \$45,930,125 with funding for 320.25 FTEs.

#### **Adjustments to 2011 Adopted Budget**

Adjustments to the 2011 Adopted budget were made to incorporate inflation and changes in operating costs. These adjustments result in a net increase of \$63,856.

#### **Program Changes**

**Transfer Space Plan Project Manager and CIP Financial Advisor from Real Estate -- \$255,712, 2.00 FTEs.** The Space Plan Project Manager and the CIP Financial Advisor positions have both been budgeted within the General Fund's Real Estate appropriation. As the management and workload of these positions has become more closely associated with the Major Projects group within the FMD Director's Office, the 2012 budget will transfer these positions out of the General Fund and into the appropriate unit, along with reclassifying the CIP Financial Advisor.

#### **Technology Cost Savings**

**Information Technology Reorganization - (119,418) / (1.00) FTE.** Salary, benefits and technology resources are transferred from FMD to the Information Technology (IT) Services fund to consolidate Executive branch IT budgets into one fund with oversight and management by the Chief Information Officer. FMD will pay for IT services via central rate CR50, which offsets the transfer.

#### **Efficiency Changes**

**Consolidate and Close Buildings – (\$1,213,003) / (1.00) FTE.** In accordance with strategies mapped out in the Real Property Asset Management Plan and the Short-Term Space Move document, FMD has already begun the process of consolidating County agencies within general government buildings, mothballing and/or selling surplus buildings, and reducing both labor and non-labor costs associated with the County's excess square footage. The total labor and non-labor savings associated with these moves are \$1.2 million. This figure includes labor impacts of up to 10.5 FTEs over 2012 although FMD has only explicitly identified 1.00 FTE for immediate reduction. FMD will manage its staffing levels during 2012 to identify the additional reductions as the precise staffing impacts of the various building closures and space consolidations are known.

**Mothball Closed Buildings – \$111,479 / 0.50 FTE.** In order to appropriately maintain vacant space prior to complete building liquidation and provide a minimum level of security for mothballed spaces, the FMD will be billing the General Fund for mothball costs associated with this vacant space in 2012.

## HOW WE DELIVER

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### Direct Service Changes

**Transfer CIP Program Managers to Parks Division – (\$394,055) / (3.00) FTEs.** The Parks Capital Planning unit will be transferred from FMD Capital Planning to the Parks Division. This affects 3.00 Project Managers who are already sited with the Parks Division in King Street but formally reported to FMD.

**Parks CIP Staffing Reductions – (\$230,519) / (1.75) FTEs.** FMD has identified savings associated with the transfer of the Parks Project Managers to the Parks Division. This change reduces one Project Manager FTE, 0.75 support staff, and the associated non-labor budget.

**Reduce Print Press Business – (\$664,216) / (4.00) FTEs.** As the Print Shop transitions to a digital-copying and scanning business model, the Print Press business line will be reduced. This business line has consistently lost money despite FMD's best efforts; press products use more space, are more labor intensive, and require more maintenance and support than digital products. The change will reduce 4.00 FTEs as well as the non-labor budget associated with this business line.

**2012 Proposed Budget**  
**Facilities Management Division Internal Service Fund / 5511**

	2010 Actual <sup>1</sup>	2011 Adopted <sup>2</sup>	2011 Estimated <sup>3</sup>	2012 Proposed	2013 Projected	2014 Projected
<b>Beginning Fund Balance</b>	<b>7,815,689</b>	<b>5,589,063</b>	<b>7,125,125</b>	<b>4,464,353</b>	<b>4,226,852</b>	<b>2,887,902</b>
<b>Revenues</b>						
Outside Leases \ Miscellaneous	1,044,618	847,103	1,127,687	1,010,048	1,040,350	1,071,560
Interest Earnings	119,978	88,402	40,000	120,000	120,000	120,000
Bldg. O&M Charges to GF Agencies	27,567,304	27,206,929	27,058,065	30,078,772	31,014,166	34,210,725
Bldg. O&M Charges to Non-GF Agencies	5,977,295	6,033,235	5,852,351	5,151,126	5,294,969	5,858,086
Architectural-Engineering	3,990,924	4,426,087	4,136,894	3,488,725	3,567,637	3,700,416
Hourly Crafts	2,751,446	2,525,774	2,653,522	2,933,183	2,995,429	3,111,041
Major Projects \ Strategic Initiatives	1,141,587	1,255,809	1,146,263	1,519,041	1,564,612	1,611,551
Print Shop Operations	1,317,456	1,623,014	1,192,596	600,000	750,000	900,000
Other Revenues from GF Sources	489,538	367,023	367,023	791,728	815,480	839,944
<b>Total Revenues</b>	<b>44,400,146</b>	<b>44,373,376</b>	<b>43,574,401</b>	<b>45,692,624</b>	<b>47,162,642</b>	<b>51,423,324</b>
<b>Expenditures</b>						
Director's Office	(3,518,336)	(3,369,811)	(3,465,863)	(4,246,440)	(4,584,401)	(4,939,260)
Major Projects \ Strategic Initiatives	(860,493)	(974,927)	(934,542)	(1,227,645)	(1,289,027)	(1,353,479)
Building Services	(34,947,031)	(37,790,662)	(36,621,115)	(36,684,949)	(38,610,390)	(40,632,064)
Capital Planning and Development	(3,403,540)	(3,798,186)	(3,711,838)	(2,992,985)	(3,200,762)	(3,418,928)
Print Shop Operations	(1,525,310)	(1,531,543)	(1,501,815)	(778,106)	(817,011)	(857,862)
<b>Total Expenditures</b>	<b>(44,254,710)</b>	<b>(47,465,129)</b>	<b>(46,235,173)</b>	<b>(45,930,125)</b>	<b>(48,501,592)</b>	<b>(51,201,593)</b>
<b>Other Fund Transactions</b>						
Green River Flood (GRF) Expenditures <sup>5</sup>	(7,497,954)	(300,000)	(3,980,000)	(821,798)		
Green River Flood (GRF) Reimbursement <sup>5</sup>	7,497,954	300,000	3,980,000	821,798		
Transfer of 09 GRF Loanout to GR Fund <sup>7</sup>	(836,000)					
<b>Total Other Fund Transactions</b>	<b>(836,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Ending Fund Balance</b>	<b>7,125,125</b>	<b>2,497,311</b>	<b>4,464,353</b>	<b>4,226,852</b>	<b>2,887,902</b>	<b>3,109,634</b>
<b>Less: Reserves &amp; Designations</b>						
Encumbrance Carryover & Reappropriation <sup>4</sup>						
Reserve for Future PERS Contrib Increases		(694,277)	(694,277)	(292,739)		
Reserve for Mid-year Space Plan Impact <sup>8</sup>				(1,200,000)		
<b>Total Reserves &amp; Designations</b>	<b>0</b>	<b>(694,277)</b>	<b>(694,277)</b>	<b>(1,492,739)</b>	<b>0</b>	<b>0</b>
<b>Ending Undesignated Fund Balance</b>	<b>7,125,125</b>	<b>1,803,034</b>	<b>3,770,076</b>	<b>2,734,113</b>	<b>2,887,902</b>	<b>3,109,634</b>
<b>Target Fund Balance (6% of Revenues) <sup>6</sup></b>	<b>2,820,929</b>	<b>2,908,403</b>	<b>2,908,403</b>	<b>2,765,650</b>	<b>2,919,323</b>	<b>3,085,399</b>

**Financial Plan Notes:**

<sup>1</sup> Fund balance, rev, & exp balanced to preliminary CAFR. Detail from 14th month ARMS.

<sup>2</sup> 2011 ARMS\IBIS budget

<sup>3</sup> Projected revenues and expenditures from Q2 report to PSB.

<sup>4</sup> Encumbrance carryovers, reappropriations, and supplemental appropriations are shown in the related expenditure totals of each business line.

<sup>5</sup> GRF expenditures assumed to be fully reimbursed.

<sup>6</sup> Target fund balance at 6% policy level excluding the impact of the 2010 and 2011 fund balance drawdowns

<sup>7</sup> The fund balance increase associated with the 2009 Building Svcs Section loanout to GRF is transferred to the GRF sub-fund to cover costs which would not be eligible for FEMA reimbursement or appropriate for bond funding.

<sup>8</sup> Significant uncertainties exist related to mid-year space consolidations, moves, and building closure dates. Projected 2012 fund balance above the policy target level is reserved to address this potential impact.

**2012 Proposed Budget for  
Real Estate Services 0010/0440**

Code/ Item#	Description	Expenditures	FTEs *	TLTs
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	3,667,229	26.00	0.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	304,911	0.00	0.00
<b>Direct Service Changes</b>				
DS03	Lower Duwamish Cleanup	350,000	0.00	0.00
DS04	Wireline and Center for Wooden Boats Consulting	96,250	0.00	0.00
		<b>446,250</b>	<b>0.00</b>	<b>0.00</b>
<b>Program Changes</b>				
PC01	Transfer Project/Program Manager to FMD Director	(126,435)	(1.00)	0.00
PC03	Transfer CIP Financial Advisor	(129,918)	(1.00)	0.00
		<b>(256,353)</b>	<b>(2.00)</b>	<b>0.00</b>
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(64,812)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(24,983)	0.00	0.00
CR08	Technology Services Infrastructure Charge	15,157	0.00	0.00
CR09	Geographic Information Systems Charge	16,210	0.00	0.00
CR10	KCIT Operations Charge/Rebate	2,465	0.00	0.00
CR11	Telecommunications Services	14,105	0.00	0.00
CR12	Telecommunications Overhead	6,144	0.00	0.00
CR13	Motor Pool Rate Adjustment	(7,995)	0.00	0.00
CR14	Facilities Management Space Charge	(198,059)	0.00	0.00
CR16	Radio Access	9	0.00	0.00
CR17	Radio Maintenance	5	0.00	0.00
CR25	Financial Service Charges	10,211	0.00	0.00
CR26	Retirement Rate Adjustment	(33,028)	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	799	0.00	0.00
CR35	1.5 Percent Underexpenditure Adjustment	(958)	0.00	0.00
CR37	Facilities Management Strategic Initiative	(629)	0.00	0.00
CR44	DES LAN Administration Costs	(7,338)	0.00	0.00
CR48	Business Resource Center	4,472	0.00	0.00
		<b>(268,225)</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA01	Transfer Communications Manager to DES Admin	(121,486)	(1.00)	0.00
TA39	COLA Adjustment	26,381	0.00	0.00
TA50	Revenue Adjustment (\$437,738)	0	0.00	0.00
		<b>(95,105)</b>	<b>(1.00)</b>	<b>0.00</b>
<b>2012 Proposed Budget</b>		<b>3,798,707</b>	<b>23.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

### Real Estate Services

#### ***PROGRAM HIGHLIGHTS***

The 2012 Proposed Budget for Real Estate Services is \$3,798,707 with funding for 23.00 FTEs.

#### **Adjustments to 2011 Adopted Budget**

Adjustments to the 2011 Adopted budget were made to incorporate changes in operating costs. These adjustments result in a net increase of \$304,911.

#### **Program Changes**

**Transfer Space Plan Project Manager to FMD Director's Office – (\$126,435) / (1.00) FTE.** As the management and workload of this position has become more closely associated with the Major Projects group within the FMD Director's Office, the 2012 budget will transfer the position out of the General Fund and into the appropriate unit.

**Transfer CIP Financial Advisor to FMD Director's Office – (\$129,918) / (1.00) FTE.** As the management and workload of this position has become more closely associated with the Major Projects group within the FMD Director's Office, the 2012 budget will transfer the position out of the General Fund and into the appropriate unit.

#### **Central Rate Changes**

**Central Rate Adjustments – (\$268,225).** This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in a \$268,225 decrease in charges to Real Estate Services. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

#### **Direct Service Changes**

**Lower Duwamish Cleanup -- \$350,000.** Past activities and land uses in the lower Duwamish River have resulted in contamination of river sediments and the designation of a five mile stretch of the lower river as a Superfund site, triggering a regulatory process for cleanup. Funds are appropriated to support work to ensure compliance with these federal and state regulations for cleanup of the Lower Duwamish Waterway and other contaminated sites for which several agencies in King County may have some responsibility. County staff are working with other jurisdictions to coordinate and schedule remediation efforts, under direction of the Environmental Protection Agency and Washington Department of Ecology.

**Wireline and Center for Wooden Boats Consulting - \$96,250.** Consultant funds are provided to develop a new Wireline Ordinance to regulate wireline and possibly wireless service in King County, as well as to work with the Center for Wooden Boats regarding the sale or lease of County property located near Lake Union.

## **HOW WE DELIVER**

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### **Technical Adjustments**

**Transfer Communications Manager to DES Administration – (\$121,486) / (1.00) FTE.** As the management and workload of this position has become more closely associated with DES Administration, the 2012 budget will transfer the position out of Real Estate Services and into the appropriate unit.

**COLA –\$26,381.** The Cost of Living Adjustment (COLA) is calculated at 1.63 percent from 2011 Adopted. This adjustment also appropriates COLA for represented staff with previously open labor contracts.

**Revenue Adjustment – (\$437,738).** This adjusts revenue projections to align with expected activity related to 2012 Real Estate transactions.

## ***HUMAN RESOURCES DIVISION***

***Mission:***

**Human Resources Division**

To develop and empower King County government's most valuable asset, our employees.

### ***OVERVIEW***

The Human Resources Division (HRD) of DES provides personnel systems, policies, resources, and support to advance the three objectives of the Quality Workforce How Goal: attract and recruit a talented county workforce, develop and retain quality employees, and utilize employees in an efficient, effective, and productive manner. HRD is currently organized into seven sections: Employment, Diversity and Civil Services; Safety and Claims; Employee Health and Well-Being; Compensation Management Services; Classification Management; Career Support Services; and Code Compliance and Quality Assurance.

### **2012 Key Issues**

Beginning in 2012, HRD proposes a major transformation in the kinds of services it provides, as well as how it proposes to deliver these new services to County departments. This transformation intends to realign and coordinate current HRD services to focus on the objectives identified in the Quality Workforce How Goal: attracting talented potential employees, developing and retaining current employees, and utilizing employees at their best. In order to support this shift, HRD's 2012 management priorities and proposed budget prioritizes the reallocation of current staffing and resources to focus on outcomes and the development of services that are currently absent from current service delivery but are identified as critical pieces in the success of moving forward the Quality Workforce objectives. These current gaps include: employee engagement, employee development, communications, organizational development, and leadership competency development. HRD's proposed budget reflects this new focus on the gaps in training and development with requested resources for an Employee Development and Training group to (1) build leadership competencies so managers and supervisors know how to encourage employee engagement and (2) provide employees opportunities to develop the skills to be engaged in their work.

### **Executive Priorities as considered in 2012 Business Planning and Budget Development**

The Executive's 2012 priorities to advance the King County Strategic Plan and inform the 2012 Proposed Budget spotlight consideration of Equity and Social Justice and attaining a three percent efficiency target while maintaining value and service levels.

**Equity and Social Justice** – HRD is working on furthering the Equity and Social Justice priorities as an internal service provider by integrating ESJ principles in employee training to increase awareness of micro-inequities and the role of managers and supervisors to address those behaviors. ESJ principles were also included in the smart goals of the Employee Performance and Accountability System (EPAS) in 2011. HRD will be working in 2012 to increase the adaptation of EPAS to more non-represented managers within the Executive Branch.



## HOW WE DELIVER

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**3 Percent Efficiency Goal** – As detailed in the subsequent budget discussion, HRD contributed towards its 2012 efficiency target through absorbing the ABT Position management workload. This workload emerged with the implementation of the Human Capital Management (HCM) system and HRD taking primary responsibility of the new centralized functionality of the system. HRD will absorb the two new positions created by the ABT implementation without adding additional positions to its staffing levels by re-appropriating currently vacant positions.

HRD also drove efficiencies in the Workers' Compensation Fund and the Benefits Fund. In 2010, an 8 percent cost increase was projected for the Workers' Compensation Fund; however, current reports estimate a decrease of 6 percent. Despite underlying medical and time loss wage replacement costs that increase faster than general inflation, Safety and Claims has been able to hold claim costs steady for the last six years.

The Benefits Fund has also achieved several efficiencies, much attributed to the work of the Employee Health and Well-Being Section. Recent actuary reports estimate that 2011 costs will be significantly less than forecast for the 2011 Adopted Budget. These 2011 savings of \$23.5 million will both be passed on through a rebate to all departments before the end of the year and allow the flex rate for 2012 to be set at a lower rate than was previously projected, representing a savings to county departments totaling \$38.2 million.

**2012 Proposed Budget for  
Human Resources Management 0010/0420**

Code/ Item#	Description	Expenditures	FTEs *	TLTs
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	5,284,671	35.75	0.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	(112,703)	0.00	0.00
<b>Direct Service Changes</b>				
DS02	Employee Training and Development	614,659	3.00	0.00
<b>Efficiency Reductions</b>				
ER44	Building Occupancy Efficiency Reduction	(77,270)	0.00	0.00
<b>Technology Cost Savings</b>				
CS01	Absorb Position Mgmt Functions for ABT	(34,219)	.25	0.00
CS02	Information Technology Reorganization	(345,222)	(3.00)	0.00
		<b>(379,441)</b>	<b>(2.75)</b>	<b>0.00</b>
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(126,600)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	134,002	0.00	0.00
CR08	Technology Services Infrastructure Charge	47,574	0.00	0.00
CR09	Geographic Information Systems Charge	(301)	0.00	0.00
CR10	KCIT Operations Charge/Rebate	11,539	0.00	0.00
CR11	Telecommunications Services	5,438	0.00	0.00
CR12	Telecommunications Overhead	(1,545)	0.00	0.00
CR13	Motor Pool Rate Adjustment	(1,908)	0.00	0.00
CR14	Facilities Management Space Charge	40,231	0.00	0.00
CR22	Long Term Leases	(148,304)	0.00	0.00
CR25	Financial Service Charges	182,540	0.00	0.00
CR26	Retirement Rate Adjustment	(82,840)	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	1,981	0.00	0.00
CR35	1.5 Percent Underexpenditure Adjustment	(4,034)	0.00	0.00
CR36	Property Services Lease Administration Fee	(2,386)	0.00	0.00
CR37	Facilities Management Strategic Initiative	(655)	0.00	0.00
CR44	DES LAN Administration Costs	(17,096)	0.00	0.00
CR48	Business Resource Center	4,360	0.00	0.00
CR50	IT Re-Organizational Transfer	359,922	0.00	0.00
		<b>401,918</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA39	COLA Adjustment	(9,429)	0.00	0.00
<b>2012 Proposed Budget</b>		<b>5,722,405</b>	<b>36.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

## Human Resources Management

### *PROGRAM HIGHLIGHTS*

The 2012 Proposed Budget for Human Resources Management is \$5,722,405 with funding for 36.00 FTEs.

#### Adjustments to 2011 Adopted Budget

Adjustments to the 2011 Adopted Budget were made to incorporate changes in operating costs. These adjustments result in a net decrease of \$112,703 from the 2011 Adopted Budget.

#### Direct Service Changes

**Employee Development and Training -- \$614,659 / 3.00 FTEs.** Human Resources will add a team to provide training and coordinated employee and organizational development to King County agencies, as these currently absent resources are key to the success of the County Executive's reform agenda. The agency will add a Training Manager, Education Consultant, and Project Manager along with a consulting and supplies budget.

#### Efficiency Changes

**Building Occupancy Efficiency Reduction – (\$77,270).** Human Resources, in collaboration with Facilities Management, consolidated space and moved staff from the Yesler Building to an existing footprint at the Administration Building. Human Resource's occupied square footage has decreased by 7,000 square feet, which equates to a reduction of \$77,270 in Facilities operations and maintenance charges.

#### Technology Cost Savings

**Absorb Position Management Functions for ABT - (\$34,219) / 0.25 FTE.** Human Resources will absorb the centralized position management function, as implemented by the ABT program when the Human Capital Management system was launched in 2010. The unit will realign the duties of existing positions for a net savings while preserving functions currently provided by ABT.

**Information Technology Reorganization – (\$345,222) / (3.00 FTEs).** Salary, benefits and technology resources are transferred from HRD to the Information Technology (IT) Services fund to consolidate Executive branch IT budgets into one fund with oversight and management by the Chief Information Officer. HRD will pay for IT services via central rate CR50, which offsets the transfer.

#### Central Rate Changes

**Central Rate Adjustments – \$401,918.** This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in a \$401,918 increase in charges to Human Resources Management. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

## **HOW WE DELIVER**

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### **Technical Adjustments**

**COLA –(\$9,429).** This amount reflects the change from the preliminary Office of Economic and Financial Analysis forecast for Cost of Living Adjustment (COLA), which was 1.77 percent, to the final 2012 COLA rate of 1.63 percent.

## ***FINANCE AND BUSINESS OPERATIONS DIVISION***

***Mission:***

**Finance and Business  
Operations Division**

To provide fast, accurate, useful and professional financial services for citizens, County agencies, and local governments within King County

### ***OVERVIEW***

The Finance and Business Operations Division (FBOD) of DES provides critical finance and payroll business functions to King County and local government agencies in advancement of the KCSP Financial Stewardship Goal: Exercise sound financial management and build King County's long term fiscal strength. FBOD is comprised of five sections: Financial Management; Treasury; Procurement; Business Development and Contracts Compliance; and Benefits, Payroll and Retirement.

### **2012 Key Issues**

2012 will be a significant transition year for the Accountable Business Transformation (ABT) financial and payroll systems and represents the primary management focus and 2012 proposed budget priority for FBOD. As the business process owner for both the payroll and financial systems of ABT, FBOD plays a critical role in the success of the January 1, 2012 go-live date. To that end, FBOD's 2012 management priorities and proposed budget prioritizes having adequate staffing for ABT EBS initial implementation as well as the changing needs of its customers in light of the new business processes facilitated by ABT. This focus is driven by:

- Service Excellence Objective 2: "Build a culture of performance and improve the effectiveness and efficiency of County programs, services and systems"; and
- Financial Stewardship Strategy 1.d: "Pursue technologies that improve service while reducing the cost of delivery."

In addition to this major operational transition, FBOD plans continued focus on re-engineering the County's procurement process to promote equity and fairness for small disadvantaged businesses; implementation of federal healthcare reform legislation; improved treasury function performance and achievement of the County Executive's efficiency goals to control costs while maintaining value for County customers. These drivers will result in a critical transition year for FBOD operations. The level of anticipated transition and change will be significant for its staff. FBOD recognizes the importance of providing its staff sufficient training and support during the transition and prioritizes effective, proactive support for its staff in the 2012 Proposed Budget as driven by KCSP Quality Workforce Objective 2: "Develop and retain quality employees."

### **Executive Priorities as considered in 2012 Business Planning and Budget Development**

The Executive's 2012 priorities to advance the King County Strategic plan and inform the 2012 Proposed Budget spotlighted consideration of Equity and Social Justice; attainment of a three percent efficiency target while maintaining value and service levels; and KCSP alignment of agency goals, objectives, and services.

**Equity and Social Justice** - Building on its 2011 successes, FBOD's primary effort in support of equity and fairness focuses on developing a new small business set aside program in partnership with small business organizations from diverse King County communities. FBOD is utilizing the recently developed King County Community Engagement Guide to get input and guidance throughout the program design process consistent with the KCSP Public Engagement Goal. This effort also forwards Economic Growth and Built Environment Objective 1: "Support a strong, diverse and sustainable economy."

**3% Efficiency Goal** –FBOD met its 2012 efficiency target through efforts across all five sections achieved by a division wide process involving all section managers. FBOD sections most affected by ABT considered the new business processes and anticipated efficiencies in processing time for staff to generate significant efficiencies. The FBOD 2012 Proposed Budget proposes re-investing the majority of these savings into one time investments to provide the initial staffing support required for the successful roll out of ABT. Additional efficiencies are proposed through improvements to existing business processes and cost reductions that maintain service levels at lower costs. Looking forward, FBOD notes that its budget has been reduced over the last few years in anticipation of staff efficiency gains from the ABT Program; therefore, finding further cost reductions will require additional efforts to stabilize and standardize processes.

**2012 Proposed Budget for  
Finance and Business Operations 5450/0138**

Code/ Item#	Description	Expenditures	FTEs *	TLTs
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	28,606,239	192.66	3.30
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	179,425	0.00	0.00
<b>Direct Service Changes</b>				
DS01	Eliminate Special Project Budget	(278,833)	(2.00)	(3.30)
<b>Efficiency Reductions</b>				
ER01	Property Tax Cost Savings	(16,000)	0.00	0.00
<b>Technology Cost Savings</b>				
CS01	Legacy System Support Reduction	(166,000)	0.00	0.00
CS02	Information Technology Reorganization	(1,167,404)	(5.00)	0.00
		<b>(1,333,404)</b>	<b>(5.00)</b>	<b>0.00</b>
<b>Program Changes</b>				
PC01	Transfer Staff to Business Resource Center	(1,578,120)	(9.00)	0.00
<b>Revenue Backed Changes</b>				
RB01	Payroll & Benefits - ABT Transition & Burn-in support	239,624	0.00	2.66
RB02	Payroll- Functional Analysts to support central payroll production	199,082	0.00	2.00
RB03	Analytical Tools for Credit Analyst	51,864	0.00	0.00
RB04	Procurement - ABT Transition and Burn-in support	612,196	0.00	7.00
		<b>1,102,766</b>	<b>0.00</b>	<b>11.66</b>
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(112,014)	0.00	0.00
CR05	General Fund Overhead Adjustment	(35,132)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(206,604)	0.00	0.00
CR08	Technology Services Infrastructure Charge	76,896	0.00	0.00
CR09	Geographic Information Systems Charge	1,209	0.00	0.00
CR10	KCIT Operations Charge/Rebate	15,645	0.00	0.00
CR11	Telecommunications Services	(352)	0.00	0.00
CR12	Telecommunications Overhead	(1,806)	0.00	0.00
CR13	Motor Pool Rate Adjustment	5,942	0.00	0.00
CR14	Facilities Management Space Charge	100,827	0.00	0.00
CR15	Insurance Charges	(19,537)	0.00	0.00
CR16	Radio Access	(851)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	(24,231)	0.00	0.00
CR21	Debt Service Adjustment	1,329	0.00	0.00
CR22	Long Term Leases	(210,151)	0.00	0.00
CR26	Retirement Rate Adjustment	49,442	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(12,231)	0.00	0.00
CR36	Property Services Lease Administration Fee	(872)	0.00	0.00
CR37	Facilities Management Strategic Initiative	112	0.00	0.00
CR38	Major Maintenance Repair Fund	6,272	0.00	0.00
CR44	DES LAN Administration Costs	3,234	0.00	0.00
CR46	KCIT Technology Projects	45,351	0.00	0.00
CR48	Business Resource Center	67,733	0.00	0.00
CR50	IT Re-Organizational Transfer	477,161	0.00	0.00
		<b>227,372</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA39	COLA Adjustment	(63,233)	0.00	0.00
TA50	Revenue Adjustment	0	0.00	0.00
		<b>(63,233)</b>	<b>0.00</b>	<b>0.00</b>

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**2012 Proposed Budget for**  
**Finance and Business Operations 5450/0138**

<b>Code/ Item# Description</b>	<b>Expenditures</b>	<b>FTEs *</b>	<b>TLTs</b>
<hr/>			
<b>2012 Proposed Budget</b>	<b>26,846,212</b>	<b>176.66</b>	<b>11.66</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.



### Finance and Business Operations Division

#### ***PROGRAM HIGHLIGHTS***

The 2012 Executive Proposed Budget for Finance and Business Operations Division (FBOD) is \$26,846,212 and includes funding for 176.66 FTEs.

#### **Adjustments to the 2011 Adopted Budget**

Adjustments to the 2011 Adopted Budget were made to incorporate inflation in labor and other select operating costs. All of the adjustments result in a net increase of \$179,425 from the 2011 Adopted Budget.

#### **Program Changes**

**Transfer Staff to Business Resource Center – (\$1,578,120) / (9.00) FTEs.** Responsibility for the functions of PeopleSoft HCM has transferred to the post-ABT support organization, the Business Resource Center (BRC). This change reflects the transfer of personnel previously reporting to FBOD and now transferred to the BRC.

**Financial Management Section - ABT Staffing Realignment– \$0.** The Financial Management Section (FMS) is realigning staffing resources to support work changes caused by implementation of the ABT system. The data entry unit is eliminated as is a lower level staff position in the ARMS control unit. There are offsetting staff additions in systems control and accounts payables units. The project centric accounting model that is implemented with ABT increases operational maintenance and monitoring in the FMS unit. Central receipt of vendor invoices will result in a substantial influx of vendor invoices due to the centralization of invoice and ACH processing in Accounts Payable. The data entry unit will close as the County will no longer maintain a centralized batch data entry input model.

#### **Technology Cost Savings**

**Legacy System Support Reduction - (\$166,000).** This proposal is to reduce costs associated with MSA and Business Object licenses with the implementation of ABT. KCIT central rates associated with ARMS/IBIS Financial and MSA payroll systems will be reduced as well. The rate reduction amounts are estimated based on 2011 Adopted Budget and will need to be refined by working with KCIT. Any residual legacy system support costs associated with year-end closing will be accounted for in the BRC in 2012.

**Transfer IT Budget to KCIT - (\$1,167,404) / (5.00) FTEs.** Salary, benefits and technology resources are transferred from FBOD to the Information Technology (IT) Services fund to consolidate Executive branch IT budgets into one fund with oversight and management by the Chief Information Officer. FBOD will pay for IT services via central rate CR50, which offsets the transfer.

#### **Efficiency Changes**

**Property Tax Cost Savings - (\$16,000) Expenditure.** The printing budget is reduced by \$9,000 by eliminating the 'flyer insert' sent with property tax statements. This flyer provided taxpayers with a breakdown of how tax dollars are allocated. Additionally, the postage budget is reduced by \$7,000. This will be accomplished by eliminating mailing of delinquency notices to those taxpayers with prior year delinquencies.

### Direct Service Changes

**Eliminate Special Project Budget - (\$278,833) Expenditure / (2.00) FTEs / (3.30) TLTs.** This proposal is to eliminate budget for data clean-up and contract migration work which will be completed by the end of 2011. In addition, this proposal also eliminates the FTEs associated with ABT project which was budgeted in FBOD to support critical staff in the ABT project through the completion of the project. These FTEs and TLTs are no longer needed with the completion of the ABT project.

### Revenue-Backed Changes

**Payroll and Benefits - ABT Transition & Burn-in support – \$239,624 Expenditure / 2.66 TLTs.** The transition and burn-in staffing support proposal is as follows:

*PPM III/Accountant:* Hire 2.0 TLT positions for 2 months (January and February) to analyze, research and implement the transition check process and repayment systems. This body of work is a result of King County Ordinance 16818 which provides for a transition payment to eligible employee switching from the MSA (bi-monthly) system to the PeopleSoft (bi-weekly) system. The PPM III TLTs was hired in April, 2011 and Accountant was hired for 6 months in 2011. The TLTs are funded by ABT contingency fund and salary savings in 2011.

*Assistant Accountants:* Hire 4.0 TLT positions for a total of 4 months (January thru April) each to support payroll operations during the ABT transition. This body of work is a result of the conversion of MSA employees to the PeopleSoft payroll system. These positions will not change any programs but will enable central payroll staff to provide key deliverables during the transition period. The TLTs were hired for 6 months in 2011 and funded by ABT contingency fund and salary savings.

*PPM IV:* Hire 1.0 TLT for a total of 12 months to assess and analyze new business processes and determine staffing levels due to the integration of one payroll system. This change will impact the County by finding cost efficiencies and streamlining staffing requirements.

**Payroll- Functional Analysts to support central payroll production – \$199,082 / 2.00 TLTs.** FBOD, in conjunction with the ABT team, has identified production functions that need to be moved to Payroll Operations to be in line with the future support model of the BRC. Under this new model, the BRC will provide the technical and functional support of the Oracle and PeopleSoft applications, and eventually the new Hyperion application for budgeting. The day-to-day production or “transactional” work will be conducted by Payroll Operations. Increased workload is attributable to an number of processes that will not be performed by the BRC (e.g., prepare earnings and deduction files, load earnings files, run interfaces, SSN verifications, retro-pay processing, year-end W2 process, year-end leave process). Additionally, increased time and labor processing tasks will not be performed by the BRC (e.g., end user support for time codes, corrections, exceptions, reporting via custom queries, testing new functionality, assist with time reporting data changes).

**Analytical Tools for Credit Analyst – \$51,864 Expenditure.** A new credit analyst was in 2011. This proposal provides funding for the tools that will be required in order to perform effective credit analysis, such as Bloomberg and rating agency analysis.

### **Procurement - ABT Transition and Burn-in support – \$612,196 Expenditure / 7.00 TLTs.**

This proposal provides ABT transition funding for the following activities in the Procurement section:

**New Contracts:** A best practice in procurement is ensuring that the majority of purchases are made via contracts. When agencies have large amounts of “off-contract” spending, there is no assurance the County is receiving the best value for the taxpayers. In order for the County to take advantage of the EBS automation of requisitions and purchase orders, the County needs to establish a large number of new contracts. All requisitions that do not reference a contract must be manually converted to a purchase order, which is inefficient and expands cycle time.

## HOW WE DELIVER

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It is estimated that 300 new contracts will need to be established between 2011 and the first quarter of 2012. The new contracts will help the County fully realize the benefits of the new procure-to-pay business process. Centralized Procurement Process: Using Oracle in the most efficient manner will require a more centralized procurement process. This will create additional workloads in the following areas: manage Master Vendor records (a centralized vendor/supplier master data set), set up and maintain Item Master records, process informal waivers, complete 3-quote processing for under \$25,000 contracts, maintain online catalogs, and establish blanket lines. The Item Master centralization and contract support using blanket lines for inventory are new bodies of work. The Item Master is a detailed description of products or services available on purchase order and interfaced with inventory. Blanket purchase agreements will ensure that items are purchased only through a proper contract to get the best price possible.

“Burn-in” period of post ABT: The section anticipates an increased volume of questions and issues from clients during the first 6 months of 2012. A large share of the questions will involve the new procure-to-pay process and Procurement will be expected to work with the BRC team to help resolve inquiries and problems.

### **Technical Changes**

**COLA - (\$63,233).** This amount reflects the change from the preliminary Office of Economic and Financial Analysis forecast for Cost of Living Adjustment (COLA), which was 1.77 percent, to the final 2012 COLA rate of 1.63 percent.

### **Central Rate Changes**

**Central Rate Adjustments – \$227,372.** This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in a decrease in charges to the agency. Details about each rate can be found in the How We Deliver Introduction, beginning on page D-1, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

**2012 Proposed Financial Plan**  
**Financial Services Fund/Finance and Business Operations 5450/0138**

	2010 Actual <sup>1</sup>	2011 Adopted	2011 Estimated <sup>2</sup>	2012 Proposed	2013 Projected <sup>3</sup>	2014 Projected <sup>3</sup>
Beginning Fund Balance	6,507,174	5,251,532	5,251,532	3,729,978	3,920,365	3,407,121
<b>Revenues</b>						
- GF Rates	7,391,247	7,108,490	7,164,530	7,126,123	7,268,645	7,414,018
- GF True-up/Rebate <sup>4</sup>	291,421	(837,594)	(837,594)	(97,365)	(363,442)	(299,951)
- GF Council Mandated Rebate		(340,636)	(340,636)			
- Non-GF Rates	21,332,829	18,865,197	19,063,369	18,275,914	18,641,432	19,014,261
- Non-GF True-up/Rebate <sup>4</sup>	(2,471,908)	(913,586)	(913,586)	(1,295,343)	(982,640)	(810,977)
- Non-GF Council Mandated Rebate		(996,239)	-			
- Rate Adjustment for Council Changes		(112,437)	(112,437)			
- Other Revenue	2,122,145	2,453,093	2,375,111	2,456,345	2,530,035	2,605,936
* Interest Income	102,678	93,500	38,000	34,000	35,020	36,071
<b>Total Revenues</b>	<b>28,768,412</b>	<b>25,319,788</b>	<b>26,436,758</b>	<b>26,499,674</b>	<b>27,129,051</b>	<b>27,959,358</b>
<b>Expenditures</b>						
* Operating Expenditures - Salaries & Benefits	(19,723,028)	(20,021,405)	(20,021,405)	(18,494,172)	(19,603,822)	(20,780,052)
* Operating Expenditures - O&M	(10,301,026)	(8,584,834)	(8,584,834)	(8,352,040)	(8,602,601)	(8,860,679)
* Budget Reappropriation Request			(219,342)			
* 2011 Q3 Omnibus Benefits and Retirement Savings			459,957			
			-	-	-	-
<b>Total Expenditures</b>	<b>(30,024,054)</b>	<b>(28,606,239)</b>	<b>(28,365,624)</b>	<b>(26,846,212)</b>	<b>(28,206,424)</b>	<b>(29,640,731)</b>
Estimated Underexpenditures <sup>5</sup>		572,125	567,312	536,924	564,128	592,815
Other Fund Transactions						
* PC Replacement <sup>6</sup>		(160,000)	(160,000)	-	-	-
Total Other Fund Transactions	-	(160,000)	(160,000)	-	-	-
Ending Fund Balance	5,251,532	2,377,206	3,729,978	3,920,365	3,407,121	2,318,563
<b>Reserves &amp; Designations</b>						
* Reserved for Equipment Replacement <sup>7</sup>	(500,000)	(500,000)	(500,000)	(250,000)	(250,000)	(250,000)
* Accrued Vacation/Excess Comp Reserve <sup>8</sup>	(2,873,000)	(1,019,019)	(1,032,928)	(1,293,611)	(1,200,000)	(1,100,000)
* Planned Rebate Reserve <sup>10</sup>	(977,810)	-	(1,346,082)	(1,571,367)	(1,110,928)	(79,341)
<b>Total Reserves &amp; Designations</b>	<b>(4,350,810)</b>	<b>(1,519,019)</b>	<b>(2,879,010)</b>	<b>(3,114,978)</b>	<b>(2,560,928)</b>	<b>(1,429,341)</b>
Ending Undesignated Fund Balance	900,722	858,187	850,968	805,387	846,193	889,222
<b>Target Fund Balance <sup>9</sup></b>	<b>900,722</b>	<b>858,187</b>	<b>850,969</b>	<b>805,386</b>	<b>846,193</b>	<b>889,222</b>

**Financial Plan Notes:**

<sup>1</sup> 2010 Actuals are from the 2010 CAFR or 14th Month IBIS.

<sup>2</sup> 2011 Estimated is based on 2011 Adopted levels and any known revisions in anticipated expenditures at the time of budget submittal.

<sup>3</sup> 2013 through 2014 Projected are based on general fund and non-general fund rate revenue growth at 2% annually; other revenue growth at 3%; salary and benefits growth at 6%; O&M expenditure growth at 3% in 2013 and 2014.

<sup>4</sup> The 2011 Finance rate includes a rebate of \$1.35 million. The rebate is a reconciliation of 2009 actual cost of services with actual service levels

<sup>5</sup> Estimated underexpenditure is 2% of total expenditures.

<sup>6</sup> PC replacement cost is \$160K in each year out of the fund balance. With IT reorg, it is unknown if the PC replacement contribution will continue in 2012 and beyond.

<sup>7</sup> Equipment replacement reserve is based on 30% of the estimated replacement costs of all equipments in inventory.

<sup>8</sup> Accrued vacation and excess comp liability as of 12/31/10 are \$2,873,000.

<sup>9</sup> Target Fund Balance is equal to 3% of the sum of total expenditures and underexpenditure.

<sup>10</sup> Planned Rebate Reserve is to provide planned rebate to true up the actual expenditure and revenues in the prior year.

**2012 Proposed Budget for  
Employee Benefits 5500/0429**

Code/ Item#	Description	Expenditures	FTEs *	TLTs
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	243,235,732	12.00	0.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	(2,516,315)	0.00	0.00
<b>Efficiency Reductions</b>				
ER44	Building Occupancy Efficiency Reduction	(50,940)	0.00	0.00
<b>Technology Cost Savings</b>				
CS02	Information Technology Reorganization	(500)	0.00	0.00
<b>Program Changes</b>				
PC01	Reduce Be The Difference' and Loan In/Out Labor	(128,000)	0.00	0.00
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(7,632)	0.00	0.00
CR05	General Fund Overhead Adjustment	20,630	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(89,716)	0.00	0.00
CR08	Technology Services Infrastructure Charge	6,179	0.00	0.00
CR10	KCIT Operations Charge/Rebate	1,008	0.00	0.00
CR11	Telecommunications Services	(1,277)	0.00	0.00
CR12	Telecommunications Overhead	(722)	0.00	0.00
CR13	Motor Pool Rate Adjustment	2,548	0.00	0.00
CR14	Facilities Management Space Charge	2,433	0.00	0.00
CR15	Insurance Charges	(5,687)	0.00	0.00
CR21	Debt Service Adjustment	2,421	0.00	0.00
CR22	Long Term Leases	43,424	0.00	0.00
CR25	Financial Service Charges	70,466	0.00	0.00
CR26	Retirement Rate Adjustment	2,589	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(744)	0.00	0.00
CR36	Property Services Lease Administration Fee	803	0.00	0.00
CR37	Facilities Management Strategic Initiative	13	0.00	0.00
CR38	Major Maintenance Repair Fund	2,689	0.00	0.00
CR44	DES LAN Administration Costs	199	0.00	0.00
CR46	KCIT Technology Projects	3,083	0.00	0.00
CR48	Business Resource Center	36,209	0.00	0.00
		<b>88,916</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA39	COLA Adjustment	(3,449)	0.00	0.00
TA50	Balancing Expenditures & Revenues to align with Actuarial Projections	(15,555,999)	0.00	0.00
		<b>(15,559,448)</b>	<b>0.00</b>	<b>0.00</b>
<b>2012 Proposed Budget</b>		<b>225,069,445</b>	<b>12.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

## **Employee Benefits**

### ***PROGRAM HIGHLIGHTS***

The 2012 Proposed Budget for Employee Benefits is \$225,069,445 million with funding for 12.00 FTEs.

#### **Adjustments to 2011 Adopted Budget**

Adjustments to the 2011 Adopted Budget were made to incorporate changes in operating costs. These adjustments result in a net decrease of \$2,516,315 from the 2011 Adopted Budget.

#### **Efficiency Reductions**

**Building Occupancy Efficiency Reduction – (\$50,940).** Employee Benefits, in collaboration with Facilities Management, will be consolidating space and moving staff from the Yesler Building to the Chinook Building. Employee Benefit's occupied square footage has decreased by 4,000 square feet, which equates to a reduction of \$50,940 in Facilities operations and maintenance charges.

#### **Program Changes**

**Reduce 'Be the Difference' – (\$128,000).** Employee Benefits has identified reductions in its 'Be the Difference' budget and associated Loan In/Out Labor budget. These reductions are considered to be offset by the corresponding addition of the Employee Development and Training program in Human Resources.

#### **Central Rate Changes**

**Central Rate Adjustments – \$88,916.** This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in a \$88,916 increase in charges to Employee Benefits. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

#### **Technical Adjustments**

**COLA – (\$3,449).** This amount reflects the change from the preliminary Office of Economic and Financial Analysis forecast for Cost of Living Adjustment (COLA), which was 1.77 percent, to the final 2012 COLA rate of 1.63 percent.

**Align Budget with Actuarial Projections – (\$15,555,999).** This adjustment aligns both projected expenditures and revenues with the latest actuarial forecasts for Employee Benefits.

## 2012 Proposed Financial Plan Employee Benefits Fund 5500

	2010 Actual <sup>1</sup>	2011 Adopted	2011 Estimated <sup>2</sup>	2012 Proposed <sup>7,8</sup>	2013 Projected <sup>3,5</sup>	2014 Projected <sup>3,5</sup>
<b>Beginning Fund Balance</b>	<b>35,766,295</b>	<b>29,191,743</b>	<b>45,183,186</b>	<b>41,046,703</b>	<b>44,750,630</b>	<b>39,759,708</b>
<b>Revenues</b>						
* Flexrate Recovery	179,836,776	205,059,984	199,032,600	196,967,520	212,694,384	229,642,752
* Sheriff Rate Recovery	11,659,474	11,912,544	11,893,392	11,618,688	12,551,520	13,552,608
* Interest Revenue <sup>6</sup>	382,878	396,196	323,008	172,400	128,696	139,020
* Other Non-Flexrate Revenue	18,065,110	22,093,710	17,814,323	20,014,764	20,369,897	21,999,489
* Flexrate Rebate			(23,465,857)			
<b>Total Revenues</b>	<b>209,944,238</b>	<b>239,462,434</b>	<b>205,597,466</b>	<b>228,773,372</b>	<b>245,744,497</b>	<b>265,333,869</b>
<b>Expenditures</b>						
* Insurance Premiums	(186,271,810)	(223,059,765)	(194,820,371)	(206,680,797)	(223,215,261)	(241,072,482)
* Sheriff Insurance Premiums	(10,343,658)	(11,822,246)	(10,173,649)	(10,357,788)	(11,186,411)	(12,081,324)
* Benefits Administration	(3,911,879)	(4,769,790)	(4,739,930)	(4,446,927)	(4,580,335)	(4,717,745)
* Reserve/Contingency		(3,583,931)	-	(3,583,933)	(11,720,084)	(12,657,690)
*ABT Debt-Service <sup>10</sup>	-			-	(33,329)	(33,329)
<b>Total Expenditures</b>	<b>(200,527,347)</b>	<b>(243,235,732)</b>	<b>(209,733,950)</b>	<b>(225,069,445)</b>	<b>(250,735,419)</b>	<b>(270,562,570)</b>
<b>Other Fund Transactions</b>						
<b>Total Other Fund Transactions</b>	-					
<b>Ending Fund Balance</b>	<b>45,183,186</b>	<b>25,418,445</b>	<b>41,046,703</b>	<b>44,750,630</b>	<b>39,759,708</b>	<b>34,531,007</b>
<b>Less: Reserves &amp; Designations</b>						
* Incurred But Not Reported (IBNR) <sup>4</sup>	(18,851,000)	(20,068,898)	(13,747,000)	(16,095,000)	(17,704,500)	(19,474,950)
* Rate Stabilization Reserve (RSR)	(26,332,186)	(5,349,547)	(27,269,842)	(10,535,704)	(10,335,124)	(2,398,367)
* Claims Fluctuation Reserve (CFR) <sup>9</sup>				(18,119,926)	(11,720,084)	(12,657,690)
<b>Total Reserves &amp; Designations</b>	<b>(45,183,186)</b>	<b>(25,418,445)</b>	<b>(41,016,842)</b>	<b>(44,750,630)</b>	<b>(39,759,708)</b>	<b>(34,531,007)</b>
<b>Ending Undesignated Fund Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>1</sup> 2010 Actuals are from the 14th Month IBIS Report.

<sup>2</sup> 2011 Estimated is based on experience through Q2.

<sup>3</sup> Revenues from assessed rates and claim expenditures in outyears are projected at 8% growth.

<sup>4</sup> IBNR in outyears is projected at 10% growth.

<sup>5</sup> Static enrollment is assumed in outyears (12,724 in Flexrate plan; 632 in Sheriff plan)

<sup>6</sup> Interest Revenue based on Sept 2011 OEFA Nominal Rate of Return.

<sup>7</sup> Flexrate for 2012 Proposed is \$1,290 per employee per month. Sheriff rate is \$1,532 per employee per month.

<sup>8</sup> Claim Expenditures in 2012 Proposed reflect Actuarial forecast under assumption of Regence as Plan Administrator.

<sup>9</sup> Reserve/Contingency and Claim Fluctuation Reserve in outyears are each proposed at 5% of Claim expenditures.

<sup>10</sup> This charge represents estimated debt service for the Accountable Business Transformation (ABT) Program which begins in 2013 and runs for ten years.

**2012 Proposed Budget for  
Safety and Claims Management 5420/0666**

Code/ Item#	Description	Expenditures	FTEs *	TLTs
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	36,944,719	29.00	0.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	(34,709)	0.00	0.00
<b>Technology Cost Savings</b>				
CS02	Information Technology Reorganization	(1,000)	0.00	0.00
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(18,444)	0.00	0.00
CR05	General Fund Overhead Adjustment	8,417	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	2,800	0.00	0.00
CR08	Technology Services Infrastructure Charge	10,753	0.00	0.00
CR09	Geographic Information Systems Charge	(1)	0.00	0.00
CR10	KCIT Operations Charge/Rebate	2,278	0.00	0.00
CR11	Telecommunications Services	(387)	0.00	0.00
CR12	Telecommunications Overhead	(413)	0.00	0.00
CR13	Motor Pool Rate Adjustment	2,517	0.00	0.00
CR14	Facilities Management Space Charge	33,576	0.00	0.00
CR15	Insurance Charges	(4,282)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	(8,337)	0.00	0.00
CR25	Financial Service Charges	(135,852)	0.00	0.00
CR26	Retirement Rate Adjustment	5,375	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(2,457)	0.00	0.00
CR37	Facilities Management Strategic Initiative	31	0.00	0.00
CR44	DES LAN Administration Costs	480	0.00	0.00
CR46	KCIT Technology Projects	7,451	0.00	0.00
CR48	Business Resource Center	14,620	0.00	0.00
		<b>(81,875)</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA39	COLA Adjustment	(9,294)	0.00	0.00
TA50	Adjust Revenues to align with Industrial Insurance Rates -- (\$3,129,767)	0	0.00	0.00
		<b>(9,294)</b>	<b>0.00</b>	<b>0.00</b>
<b>2012 Proposed Budget</b>		<b>36,817,841</b>	<b>29.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.



## Safety and Claims Management

### ***PROGRAM HIGHLIGHTS***

The 2012 Proposed Budget for Safety and Claims Management is \$36,817,841 million with funding for 29.00 FTEs.

#### **Adjustments to 2011 Adopted Budget**

Adjustments to the 2011 Adopted Budget were made to incorporate changes in operating costs. These adjustments result in a net decrease of \$34,709 from the 2011 Adopted Budget.

#### **Central Rate Changes**

**Central Rate Adjustments – (\$81,875).** This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in a \$81,875 decrease in charges to Employee Benefits. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

#### **Technical Adjustments**

**COLA – (\$9,294).** This amount reflects the change from the preliminary Office of Economic and Financial Analysis forecast for Cost of Living Adjustment (COLA), which was 1.77 percent, to the final 2012 COLA rate of 1.63 percent.

**Align Budget with Actuarial Projections –** This adjustment adjusts revenues for the Safety & Claims Management Fund based on updated industrial insurance rates, for a net revenue decrease of \$3,129,767.

**2012 Proposed Budget  
Safety & Claims Management / 5420**

	<b>2010 Actual<sup>1</sup></b>	<b>2011 Adopted<sup>2</sup></b>	<b>2011 Estimated</b>	<b>2012 Proposed</b>	<b>2013 Projected</b>	<b>2014 Projected</b>
<b>Beginning Fund Balance</b>	<b>65,144,555</b>	<b>73,264,391</b>	<b>78,483,164</b>	<b>84,838,045</b>	<b>85,924,513</b>	<b>87,057,862</b>
<b>Revenues</b>					-	-
Charges for Services	41,155,028	36,946,731	34,296,574	34,213,754	36,608,717	39,171,327
Miscellaneous Revenue	1,305,364	1,095,409	4,356,984	1,363,913	1,363,913	1,363,913
Interest Income	636,098	991,936	339,426	326,642	256,144	259,474
<b>Total Revenues</b>	<b>43,096,490</b>	<b>39,034,076</b>	<b>38,992,984</b>	<b>35,904,309</b>	<b>38,228,774</b>	<b>40,794,714</b>
Operating Expenditures	(29,757,882)	(34,944,719)	(34,638,103)	(36,817,841)	(36,979,737)	(39,066,755)
Expenditure Contingency		(2,000,000)			(2,000,000)	(2,000,000)
ABT Debt Service <sup>6</sup>					(115,688)	(115,688)
<b>Total Expenditures</b>	<b>(29,757,882)</b>	<b>(36,944,719)</b>	<b>(34,638,103)</b>	<b>(36,817,841)</b>	<b>(39,095,425)</b>	<b>(41,182,443)</b>
<b>Estimated Underexpenditures</b>		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
<b>Other Fund Transactions</b>						
<b>Total Other Fund Transactions</b>	-	-	-			
<b>Ending Fund Balance</b>	<b>78,483,164</b>	<b>77,353,748</b>	<b>84,838,045</b>	<b>85,924,513</b>	<b>87,057,862</b>	<b>88,670,132</b>
<b>Designations and Reserves</b>	(79,630,130)	(85,204,239)	(85,204,239)	(89,464,451)	(93,937,674)	(98,634,558)
		-				
<b>Total Designations and Reserves</b>	<b>(79,630,130)</b>	<b>(85,204,239)</b>	<b>(85,204,239)</b>	<b>(89,464,451)</b>	<b>(93,937,674)</b>	<b>(98,634,558)</b>
<b>Ending Undesignated Fund Balance</b>	<b>(1,146,967)</b>	<b>(7,850,491)</b>	<b>(366,195)</b>	<b>(3,539,938)</b>	<b>(6,879,812)</b>	<b>(9,964,425)</b>

**Financial Plan Notes:**

<sup>1</sup> 2010 Actuals are from 14th month IBIS Report.

<sup>2</sup> Adopted is taken from 2011 Adopted Budget Book

<sup>3</sup> Rate revenues are projected at 7% growth in outyears.

<sup>4</sup> Operating Expenditures reflect Actuarial Projections for 2012 and outyears.

<sup>5</sup> Designations and Reserves are projected at 5% growth in outyears.

<sup>6</sup> This charge represents estimated debt service for the Accountable Business Transformation (ABT) Program which begins in 2013 and runs for ten years.

## ***RECORDS AND LICENSING SERVICES DIVISION AND REGIONAL ANIMAL SERVICES OF KING COUNTY***

### ***Mission:***

#### **Records and Licensing Services Division**

The mission of the Records and Licensing Section (RALS) is to safeguard and preserve people, animals, property and information through innovation, transparent, and accountable Records, Licensing, and Regional Animal Services.

### ***OVERVIEW***

RALS strives to ensure that all County agencies have approved local records management policies and retention schedules; to either adopt, return or transfer all animals that come into the shelter; to resolve all critical animal control calls in a timely and thorough manner; to provide customer focused, accessible licensing services; to ensure that all appropriate records related to King County government operations are preserved and easily accessible; and, to provide all internal services in an efficient, responsive and cost effective manner.

The Records and Licensing Services Division is comprised of four sections: Administration, Archive, Records Management, and Mail Services, and also administers the Regional Animal Services of King County (RASKC).

### **2012 Key Issues**

A number of important changes for the RALS organization will occur in 2012. In furtherance of the King County Strategic Plan, the organization is striving to improve customer service and efficiency through a number of new projects.

#### **Lean Implementation**

In concurrence with the King County Strategic Plan Financial Stewardship Strategy 1.a: “Partner with the county’s workforce to improve productivity and identify ways to contain the growth of future costs,” RALS will improve efficiency by using Lean principles. In 2011, during a weeklong workshop on the vehicle/vessel mail renewal process, the licensing team identified multiple barriers, redundancies and technology gaps in the process. Not only has the project spurred a variety of follow-up efforts to resolve these process problems, it has also demonstrated to other divisions and agencies the value of looking critically at existing processes. These Lean follow-up efforts are central to RALS 2012 budget proposal.

#### **IT Systems Replacement**

Implementation of technology projects will be a major focus for RALS in 2012. This includes ongoing support for the enterprise-wide Electronic Records Management System (ERMS). participation in the countywide roll-out of the new financial management and payroll systems, selecting and implementing a new Archives Collection Management System, and evaluation of options for replacing two other existing IT systems.

### **Continued Improvements in Animal Care and Preparation for 2012 City Contract Negotiations**

2012 will be a critical year for RASKC. The program will need to consolidate the gains it has made under the new animal services contract and demonstrate a continued commitment to providing cost effective services that can fit within tight city and county budgets. The initial contract includes 26 municipalities participating in 2011 through 2012. The RASKC 2012 Proposed Budget reflects both strategic needs - (1) animal care will continue to improve through changes like dedicating foster care resources through the General Fund and (2) the program will demonstrate its commitment to being responsible stewards of contract dollars by continuing to identify and implement cost-saving efficiencies.

### **Executive Priorities as considered in 2012 Business Planning and Budget Development**

The Records and Licensing Services Division is already underway in implementing many of the Executive's priorities – advancing the King County Strategic Plan, focusing on equity and social justice, and achieving three percent efficiencies across all lines of business. 2012 will see a continuation of many on-going efforts as well as several new ones.

**Equity and Social Justice** - RALS intends to continue its commitment to advancing the principles of equity and social justice in 2012 through several efforts. First, RALS will extend its ESJ training program to all supervisors and mid-level managers. Second, in compliance with the King County Strategic Plan Public Engagement Strategy 1.c: "Ensure that communication, outreach and engagement efforts reach all residents, particularly communities that have been historically under-represented," and the Executive Translation order, RALS will translate additional written materials. This will include vehicle, vessel and marriage licensing, Taxi/For Hire Driver Licensing, Regional Animal Services, and Community Service Centers.

**3 Percent Efficiency Goal** - RALS has implemented a variety of measures to achieve its three percent efficiency goal. By consolidating records and vacating space in a commercial records storage facility, the Records Center will save approximately \$40,000. By changing from annual to permanent pet licensing tags, Regional Animal Services will save an estimated \$75,000. Technology improvements, such as moving pet licensing and animal control dispatch off the mainframe and implementing a new Archives Collection Management System, also lower costs and improve service delivery.

**2012 Proposed Budget for  
Records and Licensing Services 0010/0470**

Code/ Item#	Description	Expenditures	FTEs *	TLTs
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	7,519,116	68.00	0.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	105,428	0.00	0.00
<b>Administrative Service Changes</b>				
AS01	Implement Lean Principles in RALS Business Processes	150,000	0.00	0.00
<b>Efficiency Reductions</b>				
ER01	Records Center Consolidation	(40,000)	0.00	0.00
ER03	Expedited Title Work (Revenue \$250,000)	196,071	3.00	0.00
		<b>156,071</b>	<b>3.00</b>	<b>0.00</b>
<b>Technology Cost Savings</b>				
CS02	Information Technology Reorganization	(1,000)	0.00	0.00
<b>Program Changes</b>				
PC01	ERMS Ongoing Support - Functional Analysts 2	364,748	4.00	0.00
<b>Revenue Backed Changes</b>				
RB01	Enterprise Scanning Center - Scanning Titles In-House (Revenue \$360,000)	348,974	3.50	0.00
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(43,884)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(66,299)	0.00	0.00
CR08	Technology Services Infrastructure Charge	67,971	0.00	0.00
CR10	KCIT Operations Charge/Rebate	12,071	0.00	0.00
CR11	Telecommunications Services	69,990	0.00	0.00
CR12	Telecommunications Overhead	33,203	0.00	0.00
CR13	Motor Pool Rate Adjustment	(3,684)	0.00	0.00
CR14	Facilities Management Space Charge	41,250	0.00	0.00
CR22	Long Term Leases	(476)	0.00	0.00
CR25	Financial Service Charges	14,978	0.00	0.00
CR26	Retirement Rate Adjustment	9,130	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(4,028)	0.00	0.00
CR36	Property Services Lease Administration Fee	(29)	0.00	0.00
CR37	Facilities Management Strategic Initiative	408	0.00	0.00
CR44	DES LAN Administration Costs	(8,340)	0.00	0.00
CR48	Business Resource Center	62,876	0.00	0.00
CR49	Weapons Screening	(582)	0.00	0.00
		<b>184,555</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA01	Longevity Premiums	38,827	0.00	0.00
TA35	1.5 Percent Underexpenditure Adjustment	(16,123)	0.00	0.00
TA39	COLA Adjustment	56,217	0.00	0.00
TA50	Revenue Adjustment (\$849,993 Revenue)	0	0.00	0.00
		<b>78,921</b>	<b>0.00</b>	<b>0.00</b>
<b>2012 Proposed Budget</b>		<b>8,906,813</b>	<b>78.50</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

### Records and Licensing Services Division

#### ***PROGRAM HIGHLIGHTS***

The total 2012 Proposed Budget for the Records and Licensing Services Division is \$8,906,813 with funding for 78.50 FTEs.

#### **Adjustments to the 2011 Adopted Budget**

Adjustments to the 2011 Adopted Budget were made to incorporate inflation in labor and other select operating costs. All of the adjustments result in a net increase of \$105,428 and revenue increase of \$340,259 from the 2011 Adopted Budget.

#### **Administrative Service Changes**

**Implement Lean Principles in RALS Business Processes - \$150,000.** As part of Lean process improvement, this proposal is to replace existing check processing equipment. The replacement will increase check processing efficiency, reduce processing time, increase accuracy and accountability and generate time savings to be reinvested back into production. The equipment is twenty years old, with a 50 percent error rate. Ongoing annual maintenance costs of \$20,000 are anticipated to begin in 2013.

#### **Efficiency Changes**

**Records Center Consolidation - (\$40,000).** This change reflects the net savings from the reduced cost of commercial records storage due to consolidation of records at the Records Center, a reduction of \$60,000; and a \$20,000 cost increase to support disposal of recyclables.

**Expedited Title Work - \$196,071 Expenditure / \$250,000 Revenue / 3.00 FTEs.** This proposal is for resources to perform expedited Vehicle and Vessel title services, as authorized by the Washington State Legislature in 2011. RALS estimates 10,000 quick title transactions will be processed annually. It is estimated that a staffing level of three FTEs is required to support the additional work. The revenue associated with processing 10,000 transactions is \$250,000. The quick title service will allow a transaction to be completed in less than 30 minutes, rather than the estimated 30 days it currently takes a customer to receive a title in the mail.

#### **Technology Cost Savings**

**Information Technology Reorganization - (\$1,000).** Salary, benefits and technology resources are transferred to the Information Technology (IT) Services fund to consolidate Executive branch IT budgets into one fund with oversight and management by the Chief Information Officer. RALS will pay for IT services via central rate CR50, which offsets the transfer.

### **Program Changes**

#### **ERMS Ongoing Support – Two Functional and Two Public Record Analysts - \$364,748 / 4.00 FTEs.**

This proposal provides support for two Functional Analysts for ongoing support of the ERMS system, plus training, supplies, and copy costs following implementation of the ERMS project. The Functional Analysts will serve as internal system operating and technical experts; they will function as liaisons between the software vendor, IT database management, and internal records management professionals; along with providing day to day operational support and maintenance. These analysts will be responsible for scheduling and performing software updates, maintaining data integrity and quality control, managing system configuration, user profiles, and security. In addition, two Public Records Analysts (PRAs) will serve as subject matter experts in Records Management and provide direct, ongoing, user support, training, and guidance in the use of the ERMS system for customer agencies throughout the county. PRAs will extend access to the ERMS system to the work units not included in the project's initial rollout effort. PRAs will translate updates to State retention schedules into crosswalks for category changes in the ERMS; work with customer agencies to develop and maintain agency specific retention schedules; and review records series that are new or change as a result of employee changes, new services, changing or closing offices, etc. This team will be responsible for implementing complex searches and legal holds on documents related to public disclosure requests and legal claims.

### **Revenue-Backed Changes**

**Enterprise Scanning Center – Scanning Titles In-House - \$348,974 Expenditure / \$360,000 Revenue / 3.50 FTEs.** Recorded documents have been scanned by a private vendor, utilizing county owned equipment, for the past 10 years. The resulting images are provided to the Recorder's Office at no fee and the vendor sells a copy of the image to the local title company. In the third quarter of 2011, RALS will implement an in-house Enterprise Scanning Center (ESC) as a self-supporting unit in the Records Management section. The ESC will focus initially on scanning recorded documents exclusively for the Recorder's Office. To support the cost of operating the ESC, RALS will sell the images to the local title company, and others to the extent there is additional market interest. The proposed fee is \$0.13 per electronic image delivered in bulk format only and with limited indexing. This change reflects the annualized cost of these plans.

### **Central Rate Changes**

**Central Rate Adjustments – \$184,555.** This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in an increase in charges. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

## HOW WE DELIVER

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### Technical Adjustments

**Longevity Premiums - \$38,827.** This adjusts for the longevity payment obligation per the 2011 Administrative Support Classifications Coalition Bargaining Unit agreement.

**1.5 Percent Underexpenditure Adjustment – (\$16,123).** In the 2012 proposed budget, the required underexpenditure rate for General Fund (GF) agencies is equal to 2 percent of expenditures that are not backed by specific contractual revenues. Of the required underexpenditure, 1.5 percent has been reduced from GF operating budgets to directly budget for assumed underexpenditure levels. A remaining central underexpenditure of one half of one percent is held in the GF Financial Plan, for a total assumption of 2 percent. Departments are expected to manage their appropriations to achieve the underexpenditure.

**COLA – \$56,217.** This adjustment provides funding for Office of Economic and Financial Analysis forecast for Cost of Living Adjustment (COLA) of 1.63 percent for RALS' represented staff.

**Revenue Adjustment - \$849,993 Revenue.** This item aligns RALS' projected revenues with 2012 anticipated licensing and related revenues.



**2012 Proposed Budget for  
Recorder's Operation and Maintenance 1090/0471**

Code/ Item#	Description	Expenditures	FTEs *	TLTs
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	2,089,001	8.50	0.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	(319,793)	0.00	0.00
<b>Technology Cost Savings</b>				
CS02	Information Technology Reorganization	(258,980)	(2.00)	0.00
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(2,844)	0.00	0.00
CR05	General Fund Overhead Adjustment	(2,836)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	21,150	0.00	0.00
CR08	Technology Services Infrastructure Charge	727	0.00	0.00
CR09	Geographic Information Systems Charge	1,689	0.00	0.00
CR10	KCIT Operations Charge/Rebate	241	0.00	0.00
CR11	Telecommunications Services	(31)	0.00	0.00
CR12	Telecommunications Overhead	(44)	0.00	0.00
CR13	Motor Pool Rate Adjustment	554	0.00	0.00
CR14	Facilities Management Space Charge	5,748	0.00	0.00
CR25	Financial Service Charges	4,127	0.00	0.00
CR26	Retirement Rate Adjustment	4,221	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(479)	0.00	0.00
CR37	Facilities Management Strategic Initiative	(61)	0.00	0.00
CR44	DES LAN Administration Costs	140	0.00	0.00
CR46	KCIT Technology Projects	1,670	0.00	0.00
CR48	Business Resource Center	4,493	0.00	0.00
CR50	IT Re-Organizational Transfer	269,122	0.00	0.00
		<b>307,587</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA01	Equipment Replacement	32,373	0.00	0.00
TA02	RAIS Overhead Administration Alignment	44,245	0.00	0.00
TA03	Archives Collection Management System Project Interfund Transfer	347,566	0.00	0.00
TA39	COLA Adjustment	(3,773)	0.00	0.00
TA40	Merit Adjustment	(3,523)	0.00	0.00
TA50	Revenue Adjustment (-\$98,895 Revenue)	0	0.00	0.00
		<b>416,888</b>	<b>0.00</b>	<b>0.00</b>
<b>2012 Proposed Budget</b>		<b>2,234,703</b>	<b>6.50</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

### Recorder's Operation and Maintenance

#### *PROGRAM HIGHLIGHTS*

The total 2012 Proposed Budget for the Recorder's Operation and Maintenance Fund is \$2,234,703 with funding for 6.50 FTEs.

#### Adjustments to the 2011 Adopted Budget

Adjustments to the 2011 Adopted Budget were made to incorporate inflation in labor for \$12,459, and other select operating costs. All of the adjustments result in a net decrease of \$319,793 from the 2011 Adopted Budget.

#### Technology Cost Savings

**Information Technology Reorganization - (\$258,980) / (2.00) FTEs.** Salary, benefits and technology resources are transferred to the Information Technology (IT) Services fund to consolidate Executive branch IT budgets into one fund with oversight and management by the Chief Information Officer. Recorder's O&M will pay for IT services via central rate CR50, which offsets the transfer.

#### Central Rate Changes

**Central Rate Adjustments – \$307,587.** This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in an increase in charges. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

#### Technical Adjustments

**Equipment Replacement - \$32,373.** This change aligns with the equipment replacement budget and 2012 scheduled replacement.

**RALS Overhead Administration Alignment - \$44,245.** This adjustment aligns the reimbursement from this fund to RALS for overhead administration with 2012 estimated costs.

**Archives Collection Management System Project Interfund Transfer - \$347,566.** This is a technical adjustment to align a transfer expenditure in Recorder's O&M to a proposed project in the IT fund to support the Archives Collection Management System Project (a one-time 2012 cost).

The Archives workgroup will select and implement an Archives Collection Management System that will increase the availability of the archival collection to the general public through online access to “finding aids” and the digitized portions of the collection. With a new system designed to aid web-based customer research, Archives staff will have more time to focus on collecting and preserving the County's historical records and increasing the volume of records available for research, both in-house and online. Implementing a new Archives Collection Management System will increase efficiency and improve customer service, meeting the strategic plan goals of customer service and governmental transparency.

## HOW WE DELIVER

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**COLA – (\$3,773).** This amount reflects the change from the preliminary Office of Economic and Financial Analysis forecast for Cost of Living Adjustment (COLA), which was 1.77 percent, to the final 2012 COLA rate of 1.63 percent.

**Merit Adjustment – (\$3,523).** Merit was calculated based on 2.4percent of all eligible salaries for 2012.

**Revenue Adjustment - (\$98,895) Revenue.** This item aligns projected revenues with 2012 anticipated recording fee revenues.

**2012 Proposed Financial Plan**  
**Recorder's Operation and Maintenance Fund 1090/0471**

	2010 Actual <sup>1</sup>	2011 Adopted	2011 Estimated <sup>2</sup>	2012 Proposed	2013 Projected <sup>3</sup>	2014 Projected <sup>3</sup>
Beginning Fund Balance	2,403,671	1,050,574	1,668,814	1,363,104	589,704	136,855
<b>Revenues</b>		-				
* Document Preservation	530,097	500,000	509,474	528,105	506,016	518,666
* Recording Fee Surcharge	1,009,296	1,050,000	928,512	923,000	973,042	997,368
* Investment Interest less Service Fee	16,618	9,198	9,198	9,198	1,769	411
* REET Electronic Technology <sup>5</sup>	56,692	-	-	-	-	100,000
* Other Revenue	1,734	1,000	1,000	1,000	1,000	1,000
<b>Total Revenues</b>	<b>1,614,437</b>	<b>1,560,198</b>	<b>1,448,184</b>	<b>1,461,303</b>	<b>1,481,827</b>	<b>1,617,445</b>
<b>Expenditures</b>						
* Operating Expenditures	(1,519,119)	(1,846,434)	(1,431,434)	(1,835,339)	(1,448,091)	(1,430,855)
* 3rd Quarter Omnibus (Disappropriation)			19,394			
* Carryover	(148,098)		(99,287)	-		
* Equipment Replacement	(26,332)	(74,023)	(74,023)	(45,073)	(305,979)	(137,054)
* Electronic Records Management System Project <sup>5</sup>	(656,428)	-	-	-	-	-
* Recording System Upgrade or Replacement	-	-	-	-	-	-
* Archives Management System Project				(347,566)		
* eREET Support	-	(68,544)	(68,544)	-	(180,606)	(92,477)
*eREET Fund Balance to Assessments	(100,000)	(100,000)	(100,000)	(6,725)	-	(50,000)
<b>Total Expenditures</b>	<b>(2,449,977)</b>	<b>(2,089,001)</b>	<b>(1,753,894)</b>	<b>(2,234,703)</b>	<b>(1,934,676)</b>	<b>(1,710,386)</b>
Estimated Underexpenditures		-			-	-
Other Fund Transactions						
*Unrealized/Realized Loss - Impaired Investment	10,095	-	-	-	-	-
*Adjust. Fr Budgetary to GAAP -(Encumbrances)	90,587					
Total Other Fund Transactions	100,682	-	-	-	-	-
Ending Fund Balance	1,668,814	421,771	1,363,104	589,704	136,855	43,914
<b>Reserves &amp; Designations</b>						
* Reserve for Recording System Project	-	-	(400,000)	(150,000)	(125,000)	
* Reserve for Equipment Replacement	(50,000)	-	(50,000)	(50,000)		-
* Reserve for e-REET Technology Project	(448,353)	(279,808)	(279,808)	(273,083)	(92,477)	(50,000)
* Reserve for Microfilm	(50,000)	-	(50,000)	-	-	-
* Reserve for Special Preservation Projects	(50,000)	-	(50,000)	-	-	-
* Reserve for Digitizing Projects	(50,000)	-	(50,000)	-	-	-
Total Reserves & Designations	(648,353)	(279,808)	(879,808)	(473,083)	(217,477)	(50,000)
Ending Undesignated Fund Balance	1,020,461	141,963	483,295	116,620	(80,623)	(6,086)
<b>Target Fund Balance <sup>4</sup></b>	<b>75,956</b>	<b>104,450</b>	<b>71,572</b>	<b>91,767</b>	<b>72,405</b>	<b>71,543</b>

**Financial Plan Notes:**

<sup>1</sup> 2010 Actuals are taken from the 2010 CAFR.

<sup>2</sup> 2011 Estimated is based on ARMS YTD data and estimated year end actuals.

<sup>3</sup> 2013 Projected COLA and Merit are based on 2.05% and 2.40% respectively, 2014 Projected COLA and Merit are based on a 1.85% and 2.4% respectively. Other assumptions: Benefits 8%, Retirement 12.8 % (2013) and 10.7% (2014), Other Labor 4.45% (2013) and 4.25% (2014). 2013 Revenue is based on July 2010 OEFA Forecast, 2014 Revenue assumes 2.5% growth. Projections currently anticipate a reduction in operating expenditures in 2013 and 2014 pending a change in supporting revenue. ABT debt service estimated at \$13,771 annually, beginning in 2013.

<sup>4</sup> Target fund balance is based on 5% of operating expenditures.

<sup>5</sup> REET Electronic Technology funding source ended July, 2010. It is anticipated to return in 2014.

### ***PRODUCT TEST CASE: REGIONAL ANIMAL SERVICES OF KING COUNTY***

In preparing the 2012 Proposed Budget, King County took the first step toward product-based budgeting, which would highlight the specific services or products provided by an agency rather than focus on incremental changes to the base budget. Six County agencies were selected to develop services and programs into product-based budgets. RASKC is one of the test cases in 2012. The following is a description of RASKC's products.

#### ***INTRODUCTION***

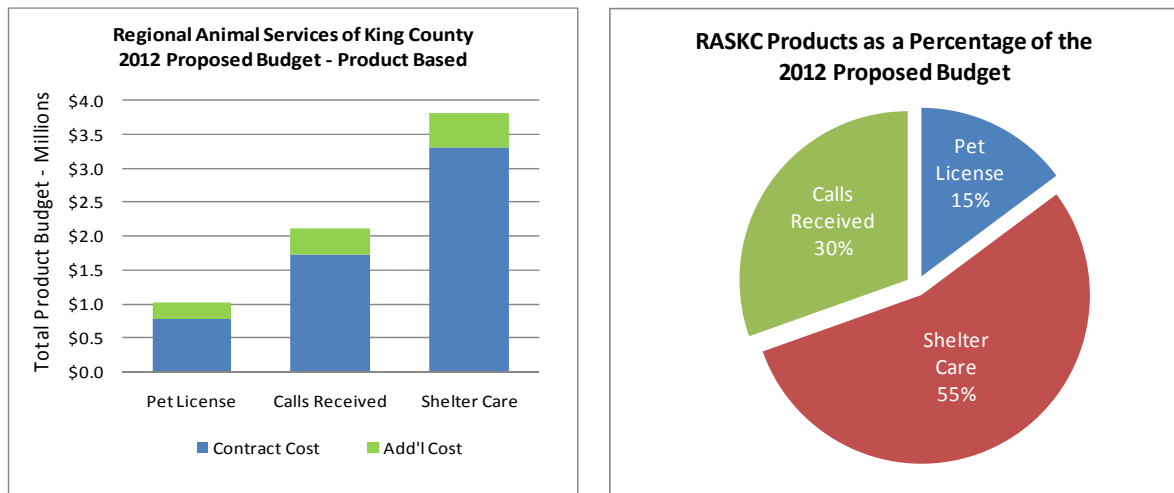
Regional Animal Services of King County (RASKC) provides local animal care, control and licensing services to 26 suburban municipalities by contract (interlocal agreement), and to unincorporated King County. RASKC operates a highly successful open-admission public shelter program that takes in nearly 7,000 animals per year. The service area represents a diverse population of just over (1.04) million residents. Primary funding to support the RASKC program comes from the sale of Pet Licenses. This test case provided the opportunity to look at the Regional Animal Services operating budget from a product based perspective, a non-traditional approach for the agency, King County, and local government generally. The products selected by RASKC were intended to align with the three service categories identified in the interlocal agreements with partner municipalities.

#### **Test Case Products: Regional Animal Services is effectively represented by the following products/services:**

- **Pet License** – A pet License is represented by a small metal tag with a unique number, it is issued by RASKC, and is intended to be displayed on the collar of a cat or dog. Behind the scenes, issuing a Pet License involves updating and maintaining essential information on file (address, contact information, owner, pet name, etc), sending renewal and reminder notices, processing payments, coordinating third party sales partners, outreach, and marketing. Revenue from the sale of Pet Licenses directly supports the RASKC program, offsetting the cost allocable to the jurisdictions that partner with King County.
- **Control Call (Received)** – A Control (Field Service) Call is described as any call for service, other than information only calls, that are received by the RASKC Call Center. Calls are dispatched or handled by field officers based on the type and priority of each call. Dispatched calls are handled by an Animal Control Officer assigned to one of four geographic areas (Control Districts).
- **Animal Care** – A unit of Animal Care is described as an animal intake (excluding foster care animals being returned to the shelter) where the animal is temporarily taken in by an Animal Control Officer from the field, is relinquished by its owner, or is otherwise taken in at the shelter. Animals taken into care are either stray, looking for a new home, in custody/legal hold, or in limited circumstances may be sick animals relinquished by their owner to be humanely euthanized.

*The data below is not intended to be a precise calculation and is not intended to be used for any purposes other than learning and exploring a new way of thinking. This is innovative and challenging work that is just beginning. The test cases were intended as an initial step to test assumptions, not come up with final answers.*

### 2012 Proposed Budget by RASKC Product:



### Estimated Cost-Per-Unit Summary:

Product	2011- Cost/Unit	2012 – Cost/Unit	2012 – Qty of Units	2012 – Total Cost
Pet License	\$11.24	\$8.32	123,600	1,028,798
Control Call Received	\$302.56	\$302.01	7,000	2,114,099
Shelter Care	\$521.43	\$543.42	7,000	3,803,940

The 2012 Proposed Budget for RASKC budget is less than the 2011 Adopted Budget for RASKC, and the budget by product has shifted. Separately, the cost of Pet Licensing overall and by product is less than the 2011 estimated. Transitioning to a new permanent Pet License tag is expected to yield cost savings that will begin in 2012. Control call costs (and associated field services) are slightly less than in 2011. The proposed budget adds a full-time administrative support position (shared with the shelter) to help process notice and order violations, revenue collection (from fines and penalties), and coordinate public disclosure responses. Shelter Care costs are up over 2011, due in part to adding the position shared with the Control Unit, converting a temporary help budget to seasonal positions to align with county hiring policy, and adding a new full-time position to help with foster care animal follow-up coordination. Across the board, lower than anticipated labor costs due to retirement and flex rate savings, and lower than anticipated central rates all combine to help mitigate inflationary and programmatic increases. While the final numbers are still being calculated, the 2012 Proposed Budget allocable to participating jurisdictions is significantly less than is allowable by contract.

## HOW WE DELIVER

In preparing this product-based budget, there were several issues that created challenges. First, the potential for significant fluctuation in the number of units handled from one year to the next. As the program is refined under the new model, this may become less of a factor. Second, trying to show a cost-per-unit number that reflects the cost from a customer's perspective, (contract municipality) created additional complexity. Finally, because there are a variety of costs not included in the cost allocation model, and because King County has chosen to sponsor various program elements, the cost per unit from a contract perspective is different from the one calculated on a fully loaded budget basis.

### King County Strategic Plan Alignment

The products and services that RASKC provides further the KCSP goal of Service Excellence Strategy 3.a: "Engage in partnerships to solve problems, expand services, and inform decision-making."

Product	Performance Measures		
	Quality	Timeliness	Outcome (Overall)
Pet License	Percentage of Pet Licenses purchased on line that are issued within 2 days Percentage of Pet Licenses purchased via the mail that are issued within 5 days	Average processing time for completing Pet License applications requested via the mail (days) Average processing time for completing pet license applications requested via the web (days)	Live Release Rate  Percentage of animals (Cats & Dogs) Euthanized (Overall)
Control Call (Received)	Percentage of Notice and Order violations issued and not appealed, or upheld on appeal Percentage of priority 1 calls responded to within 1 hour Percentage of priority 2 calls responded to within 2 hours Percentage of priority 3 calls responded to within 4 hours	Average response time for Priority 1 Calls (standard = 1 hour) Average response time for Priority 2 Calls (standard = 2 hours) Average response time for Priority 3 calls (standard = 4 hours)	
Shelter Care	Shelter Volunteer hours as a % of animal care hours Percentage of live intakes (excluding foster returns) that died while in shelter care Percentage of stray intakes with a Return to Owner outcome	Average Length of Stay (days)	

**Fund explanation** – Regional Animal Services operates within a dedicated Animal Services Fund. The Animal Services fund is supported from direct program revenues (Pet License fees, adoption fees, fines, etc), reimbursement from participating jurisdictions, and a transfer from the King County General Fund. The General Fund Transfer includes a reimbursement for services provided to unincorporated King County that are not offset by pet licensing revenue, transition funding and other credits offered by the county as part of establishing the regional program, and various county sponsored program items not included in the cost allocation model. The overall cost includes an unbudgeted General Fund Overhead (\$133,612) cost not included in the appropriation request, but included for purposes of calculating the fully loaded cost.

## 2012 Proposed Budget for

### Regional Animal Services of King County 1431/0534

Code/ Item#	Description	Expenditures	FTEs *	TLTs
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	6,983,091	44.50	0.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	(80,420)	0.00	0.00
<b>Efficiency Reductions</b>				
ER01	Pet Licensing Efficiency - Implementation of Permanent Tags	(79,300)	0.00	0.00
ER04	Pet Licensing Efficiency - Admin. Support (\$88k Existing Revenue Processed)	66,544	1.00	0.00
		<b>(12,756)</b>	<b>1.00</b>	<b>0.00</b>
<b>Technology Cost Savings</b>				
CS03	Legacy Information Management System Retirement	(80,000)	0.00	0.00
<b>Program Changes</b>				
PC01	Foster Care Program Resources	69,002	1.00	0.00
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(29,892)	0.00	0.00
CR05	General Fund Overhead Adjustment	(1,000)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(77,858)	0.00	0.00
CR08	Technology Services Infrastructure Charge	5,626	0.00	0.00
CR09	Geographic Information Systems Charge	(1,514)	0.00	0.00
CR10	KCIT Operations Charge/Rebate	1,890	0.00	0.00
CR11	Telecommunications Services	(6,852)	0.00	0.00
CR12	Telecommunications Overhead	(2,682)	0.00	0.00
CR13	Motor Pool Rate Adjustment	(21,872)	0.00	0.00
CR14	Facilities Management Space Charge	(6,498)	0.00	0.00
CR16	Radio Access	(761)	0.00	0.00
CR17	Radio Maintenance	(470)	0.00	0.00
CR18	Radio Direct Charges	746	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	124,593	0.00	0.00
CR22	Long Term Leases	(61,361)	0.00	0.00
CR25	Financial Service Charges	(39,067)	0.00	0.00
CR26	Retirement Rate Adjustment	6,930	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(5,671)	0.00	0.00
CR36	Property Services Lease Administration Fee	(1,112)	0.00	0.00
CR37	Facilities Management Strategic Initiative	213	0.00	0.00
CR44	DES LAN Administration Costs	(10,408)	0.00	0.00
CR46	KCIT Technology Projects	12,637	0.00	0.00
CR48	Business Resource Center	(12,441)	0.00	0.00
		<b>(126,824)</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA02	Extra Help Conversion to Intermittent Employees - HR Policy Alignment	85,871	2.68	0.00
TA03	Laundry Processing Budget Alignment to Cost	15,000	0.00	0.00
TA04	RALS Overhead Administration Alignment	(41,998)	0.00	0.00
TA06	Longevity Premiums	5,121	0.00	0.00
TA39	COLA Adjustment	(4,347)	0.00	0.00
TA40	Merit Adjustment	1,485	0.00	0.00
TA50	Revenue Alignment (\$48,690 Revenue)	0	0.00	0.00
		<b>61,132</b>	<b>2.68</b>	<b>0.00</b>
<b>2012 Proposed Budget</b>		<b>6,813,225</b>	<b>49.18</b>	<b>0.00</b>



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**2012 Proposed Budget for**

**Regional Animal Services of King County 1431/0534**

<b>Code/ Item#</b>	<b>Description</b>	<b>Expenditures</b>	<b>FTEs *</b>	<b>TLTs</b>
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\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

### Regional Animal Services of King County

#### ***PROGRAM HIGHLIGHTS***

The total 2012 Proposed Budget for Regional Animal Services is \$6,813,225 with funding for 49.18 FTEs. Regional Animal Services anticipates savings from switching to permanent license tags, facilities consolidation and legacy information system retirement, and cost increases in order to achieve policy objectives, and to align with HR policies and labor obligations.

#### **Adjustments to the 2011 Adopted Budget**

Adjustments to the 2011 Adopted Budget were made to incorporate inflation in labor for \$44,607, and other select one-time 2011 operating costs. All of the adjustments result in a net decrease of \$80,420 from the 2011 Adopted Budget and reduced revenue projection of \$226,250

#### **Efficiency Changes**

**Pet Licensing Efficiency – Implementation of Permanent Tags - (\$79,300).** This proposal accounts for savings found in postage and miscellaneous supplies due to switching to issuing permanent license tags.

**Pet Licensing Efficiency – Administrative Support and - \$66,544 Expenditure / Existing Revenue \$88,000 / 1.00 FTE.** This proposal is to add an Administrative Specialist 3 position to support processing of Notice and Order violations and associated fee/fine collection, gather records in response to Public Disclosure Requests, and provide other general administrative support in the Animal Services office. Estimated existing revenue to support this position is \$88,000. It is proposed as a reinvestment of the savings from the pet licensing savings due to issuing permanent license tags.

#### **Technology Cost Savings**

**Legacy Information Management System Retirement - (\$80,000).** This cost reduction is attributable to consolidating information systems, retiring the Legacy Information Management System. \$80,000 is anticipated as savings in repair and maintenance of equipment while about \$100,084 is anticipated in savings in KCIT charges to RAS, to total a net \$180,084.

#### **Program Changes**

**Foster Care Program Resources - \$69,002 / 1.00 FTE.** This proposal adds a position to facilitate foster care animal follow-up that is currently handled by one veterinary technician in the clinic. This is work that competes with the technician's existing workload. This item is proposed to be entirely General Fund supported for 2012 to provide an adequate service level.

## **HOW WE DELIVER**

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### **Central Rate Changes**

**Central Rate Adjustments – (\$126,824).** This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in a net decrease in charges. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

### **Technical Adjustments**

**Extra Help Conversion to Intermittent Employees – HR Policy Alignment - \$85,871 / 2.68 FTEs.** This proposal converts four Animal Control Officer Positions from Extra Help to Intermittent Employees per Human Resource Policy.

**Laundry Processing Budget Alignment to Cost - \$15,000.** This adjustment aligns the budgeted laundry costs of \$120,000 with actual projections for 2012 to total \$135,000. This projection assumes a half year of status quo laundry costs of \$110,000 for six months, and a half year of reduced costs due to a commercial washer and dryer installed by July 1, 2012. \$60,000 has been proposed for FMD CIP to design and permit for this project.

**RALS Administration Overhead and Cost-Share Alignment - (\$41,998).** This technical adjustment aligns the reimbursement from RASKC to RALS for overhead administration and the cross-unit cost sharing..

**Longevity Payment - \$5,121.** This adjusts for the longevity payment obligation per the 2011 Administrative Support Classifications Coalition Bargaining Unit agreement.

**COLA – (\$4,347).** This amount reflects the change from the preliminary Office of Economic and Financial Analysis forecast for Cost of Living Adjustment (COLA), which was 1.77 percent, to the final 2012 COLA rate of 1.63 percent.

**Merit Adjustment – \$1,485.** Merit was calculated based on 2.4percent of all salaries, discounted for any step 10 positions not eligible for merit and vacant positions for 2012.

**Revenue Adjustment - \$48,690 Revenue.** This item aligns the fund's projected revenues with 2012 anticipated pet licensing, fines and associated fee revenues, cost recovery from cities, and the General Fund transfer.

**2012 Proposed Financial Plan**  
**Animal Services Fund/Regional Animal Services of King County 1431/0534**

	2010 Actual <sup>1</sup>	2011 Adopted	2011 Estimated <sup>2</sup>	2012 Proposed	2013 Projected <sup>3</sup>	2014 Projected <sup>3</sup>
Beginning Fund Balance	208,180	208,180	106,081	260,993	453,310	312,233
<b>Revenues</b>						
-	-	-	-	-	-	-
Pet Licenses		3,331,187	3,331,187	2,893,827	2,980,642	3,070,061
Late Fees and Fines		256,144	256,144	143,305	143,305	143,305
Misc Charges for Services		546,190	546,190	560,316	560,316	560,316
Donations -Transfers from Fund 1432 (2011)		200,000	200,000	200,000	200,000	200,000
City Reimbursement for RASKC Services		1,210,658	797,139	1,256,993	1,500,921	1,749,727
General Fund -Transfers from Fund 0010		1,638,923	2,052,442	1,951,101	1,372,666	1,394,301
-	-	-	-	-	-	-
<b>Total Revenues</b>	-	<b>7,183,102</b>	<b>7,183,102</b>	<b>7,005,542</b>	<b>6,757,850</b>	<b>7,117,710</b>
<b>Expenditures</b>						
Operating Expenditures		(6,313,366)	(6,358,465)	(6,174,504)	(6,244,654)	(6,437,649)
Donation Funded Expenditures <sup>4</sup>	-	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
Budgeted Overhead (GF & RALS)	-	(469,725)	(469,725)	(438,721)	(454,273)	(470,411)
-	-	-	-	-	-	-
<b>Total Expenditures</b>	-	<b>(6,983,091)</b>	<b>(7,028,190)</b>	<b>(6,813,225)</b>	<b>(6,898,927)</b>	<b>(7,108,060)</b>
Estimated Underexpenditures		-	-	-	-	-
Other Fund Transactions						
Total Other Fund Transactions	-	-	-	-	-	-
Ending Fund Balance	208,180	408,191	260,993	453,310	312,233	321,883
<b>Reserves &amp; Designations</b>						
Reserve for donation funded expenditures	(208,180)	(208,180)	(208,180)	(208,180)	(208,180)	(208,180)
Total Reserves & Designations	(208,180)	(208,180)	(208,180)	(208,180)	(208,180)	(208,180)
Ending Undesignated Fund Balance	-	200,011	52,813	245,130	104,053	113,703
<b>Target Fund Balance <sup>5</sup></b>	-	<b>315,668</b>	<b>317,923</b>	<b>308,725</b>	<b>312,233</b>	<b>321,882</b>

**Financial Plan Notes:**

- <sup>1</sup> The RASKC FUND began in 2011. Beginning Fund balance is based on the estimated 2010 ending fund balance in Animal Bequest Fund 1432.
- <sup>2</sup> 2011 Estimated includes adjustments to revenue projections per the 2011 1st Omnibus Supplemental Ordinance, Carryover Ordinance for \$45,099, adjusted PERS and Flex rates, and projected laundry costs of \$199,455.
- <sup>3</sup> 2013 and 2014 Projected are based on:  
**Revenue:** 3% increase annually for Licensing, shift in transition funding credit (reduced credit to cities) reduces GF contribution and increases city contributions \$ for \$. Includes a final adjustment to maintain 5% fund balance. The original Interlocal Agreement term for RASKC Services is through 2012. Estimates assume status quo associated with RASKC member jurisdictions for 2013 or 2014.  
**Expenditures:** 2013 Projected COLA and Merit are based on 2.05% and 2.40% respectively, 2014 Projected COLA and Merit are based on a 1.85% and 2.4% respectively. Other assumptions: Benefits 8%, Retirement 12.8 % (2013) and 10.7% (2014), Other Labor 4.45% (2013) and 4.25% (2014). Projections currently anticipate a reduction of \$85,000 due to laundry related efficiencies in out years. ABT debt service estimated at \$28,088 annually, beginning in 2013 (includes Fund 1432 allocation).
- <sup>4</sup> Based on a transfer from the Animal Bequest Fund (000001432).
- <sup>5</sup> Target fund balance is based on 5% of operational expenditures.

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**2012 Proposed Budget for  
Animal Bequest 1432/0538**

<b>Code/ Item#</b>	<b>Description</b>	<b>Expenditures</b>	<b>FTEs *</b>	<b>TLTs</b>
<hr/>				
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	200,000	0.00	0.00
		<hr/>		
<b>2012 Proposed Budget</b>		<b>200,000</b>	<b>0.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

**Animal Bequest**

**Adjustments to the 2011 Adopted Budget**

There were no changes to this appropriation unit from the 2011 Adopted Budget. It remains budgeted at \$200,000.

## ***OFFICE OF RISK MANAGEMENT***

### ***Mission:***

#### **Office of Risk Management**

To protect King County's financial assets and mitigate losses by providing effective risk management services and responsive and fair claims management.

### ***OVERVIEW***

The Office of Risk Management (ORM) assists county agencies in controlling and minimizing liability loss exposures, maintains financial policies and practices to meet anticipated program financing needs while protecting the County's assets from loss, and investigates and resolves citizen claims in a prompt, efficient and equitable manner.

Risk management services consist of:

- claims and insurance administration;
- financial management of self-funded program and insurance placements;
- contract review; and
- loss control for other governmental agencies within King County.

In alignment with the King County Strategic Plan goal of Financial Stewardship, ORM adheres to conservative financial practices, such as funding reserves on an incurred basis and allocating the cost of risk across county agencies based on loss history. Through sound financial management, ORM aims to maintain the long-term strength of the insurance fund and by extension, King County's long-term fiscal strength.

### **2012 Key Issues**

**Unprecedented 2010 Losses** - King County resolved four severe losses in 2010 for a total of \$29.5 million. This is unprecedented in the history of King County. The dates of loss spanned 2002-2009. The claim costs will be allocated to county agencies via the Insurance rate model, according to their loss and claims history, and projected premiums.

**Excess Liability Insurance Renewal** - As a result of the unprecedented losses paid in 2010, the excess liability insurance premium increased by \$452,000 and the county's self-insured retention increased significantly, from \$3.5 million to \$7.5 million per occurrence.

**Impact on Rates** - the 2012 Insurance Charges to county agencies will be impacted due to several adverse factors: the aforementioned severe losses, increased liability insurance premium, no fund balance surplus, and minimal interest earnings. For the past several years, there has been a surplus in the Insurance Fund for losses limited to \$1 million, and these have been applied as a credit to offset insurance charges. The unprecedented large losses in 2010 have depleted the fund balance surplus, so there was zero balance applied to offset the charges in 2012. Based on ORM's cost allocation methodology, the interest earnings on the

## **HOW WE DELIVER**

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balance of the Insurance Fund are applied to offset the proposed insurance charges. Historically, interest earnings on the balance in the Insurance Fund have been between 2.85-5.0 percent. For 2012, the preliminary projected interest earnings rate on the investment pool, used in the insurance allocation, was 0.55 percent.

### **Executive Priorities as considered in 2012 Business Planning and Budget Development**

The Executive's priorities, as expressed in the 2012 Proposed Budget, are to advance the Equity and Social Justice Initiative; ensure that goals objectives, and services are aligned with the King County Strategic Plan; and achieve efficiency savings of three percent while maintaining current service levels. ORM's 2012 Proposed Budget supports these priorities in the following ways:

**Equity and Social Justice** - In alignment with the Fair and Just guiding principle, and the Service Excellence and Public Engagement aspects of the Strategic Plan, ORM has made Equity and Social Justice Commitments that will have a positive impact on business operations.

- ORM will translate commonly used documents and forms into three target languages, Chinese, Spanish and Somali, as these are reflective of the county's claimant demographic groups with limited English proficiency.
- ORM will provide training to its staff on bias identification to insure the fair treatment of claimants and claim resolutions.
- The budget impact will be positive; better communication with claimants will lead to quicker claims resolution time and fewer attorney-represented claimants. Industry standards show that claim costs are reduced when the resolution time is shortened and there is no legal representation.

**3 Percent Efficiency Goal** - ORM anticipates achieving 3 percent efficiency savings through the proposed plans to vacate the Yesler Building and relocate to other county-owned buildings, and a reduction in the office's central operating facilities costs.



**2012 Proposed Budget for  
Risk Management 5520/0154**

Code/ Item#	Description	Expenditures	FTEs *	TLTs
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	27,006,526	21.00	0.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	1,263,202	0.00	0.00
<b>Efficiency Reductions</b>				
ER44	Building Occupancy Efficiency Reduction	(1,053)	0.00	0.00
<b>Technology Cost Savings</b>				
CS02	Information Technology Reorganization	(109,135)	(1.00)	0.00
<b>Revenue Backed Changes</b>				
RB01	MARR Unit Cost Adjustment	30,781	0.00	0.00
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(12,552)	0.00	0.00
CR05	General Fund Overhead Adjustment	10,482	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	12,831	0.00	0.00
CR08	Technology Services Infrastructure Charge	9,528	0.00	0.00
CR10	KCIT Operations Charge/Rebate	1,437	0.00	0.00
CR11	Telecommunications Services	(176)	0.00	0.00
CR12	Telecommunications Overhead	(285)	0.00	0.00
CR13	Motor Pool Rate Adjustment	1,958	0.00	0.00
CR14	Facilities Management Space Charge	781	0.00	0.00
CR15	Insurance Charges	(55,786)	0.00	0.00
CR16	Radio Access	19	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	(327,145)	0.00	0.00
CR25	Financial Service Charges	(10,721)	0.00	0.00
CR26	Retirement Rate Adjustment	5,385	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(1,286)	0.00	0.00
CR37	Facilities Management Strategic Initiative	(13)	0.00	0.00
CR44	DES LAN Administration Costs	(4,666)	0.00	0.00
CR46	KCIT Technology Projects	5,139	0.00	0.00
CR48	Business Resource Center	12,099	0.00	0.00
CR50	IT Re-Organizational Transfer	112,956	0.00	0.00
		<b>(240,015)</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA39	COLA Adjustment	(4,491)	0.00	0.00
TA40	Merit Adjustment	(5,347)	0.00	0.00
TA50	Revenue Adjustment (\$145,614 Revenue)	0	0.00	0.00
		<b>(9,838)</b>	<b>0.00</b>	<b>0.00</b>
<b>2012 Proposed Budget</b>		<b>27,940,468</b>	<b>20.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

### Risk Management

#### ***PROGRAM HIGHLIGHTS***

The 2012 Proposed Budget for Risk Management is \$27,940,468 and includes funding for 20.0 FTEs. The major components of the Office of Risk Management 2012 base budget expenditures are \$16.1 million for claims funding requirements based on the actuary's recommendation, and \$7.1 million for insurance premiums for a total of \$23.2 million, or 84 percent of the total budget. The remaining \$4.5 million is for ORM operating expenditures and claims administrative costs.

#### **Adjustments to the 2011 Adopted Budget**

Adjustments to the 2011 Adopted Budget were made to incorporate inflation in labor (\$29,058) and other select operating costs. All of the adjustments result in a net increase of \$1,263,202 from the 2011 Adopted Budget, an increase of \$7,207,460 in revenue

#### **Efficiency Reductions**

**Building Occupancy Efficiency Reduction – (\$1,053).** In 2011 ORM, in collaboration with Facilities Management, consolidated space and moved staff from the Yesler building to vacant space in the Administration building. The agency's occupied square footage has decreased by 87 square feet, which equates to a reduction of \$1,053 in Facilities operations and maintenance charges.

#### **Technology Cost Savings**

**Information Technology Reorganization - (\$109,135) Expenditure, (1.00) FTE.** Salary, benefits and technology resources are transferred to the Information Technology (IT) Services fund to consolidate Executive branch IT budgets into one fund with oversight and management by the Chief Information Officer. ORM will pay for IT services via central rate CR50, which offsets the transfer.

#### **Revenue-Backed Changes**

**MARR Unit Cost Adjustment - \$30,781 Expenditure.** This proposal aligns the budgeted cost for 2 positions from the King County Sheriff Office's Major Accidents and Response Reconstruction (MARR) Unit with 2012 projected salary and benefits, provided as a service to the Roads Division. Corresponding \$30,781 increase in revenue from Roads is included in the overall revenue adjustment to this budget.

#### **Central Rate Changes**

**Central Rate Adjustments – (\$240,015).** This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in a decrease in charges. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

## **HOW WE DELIVER**

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### **Technical Adjustments**

**COLA – (\$4,491).** This amount reflects the change from the preliminary Office of Economic and Financial Analysis forecast for the Cost of Living Adjustment (COLA), which was 1.77 percent, to the final 2012 COLA rate of) is calculated at 1.63 percent from 2011 Adopted.

**Merit Adjustment – (\$5,347).** Merit was calculated based on 2.4 percent of all salaries, discounted for any step 10 positions not eligible for merit and vacant positions for 2012.

**Revenue Adjustment - \$145,614.** This item aligns the Insurance Fund's projected revenues with 2012 anticipated revenues from the Insurance rate charged to county agencies, as well as preliminary projected interest rate per the Office of Economic and Financial Analysis.

**2012 Proposed Financial Plan  
Risk Management / 5520**

		2010 Actual <sup>1</sup>	2011 Adopted <sup>2</sup>	2011 Estimated <sup>3</sup>	2012 Proposed	2013 Projected <sup>4</sup>	2014 Projected <sup>4</sup>
<b>LOSSES LIMITED TO \$1 MILLION</b>	<b>Beginning Fund Balance</b>	14,999,047	8,833,038	11,068,460	3,916,702	3,343,569	1,114,523
	<b>Revenues</b>						
	* Interfund Charges	23,613,864	23,743,613	23,743,613	30,201,144	29,253,990	30,908,890
	* Interest Revenue	822,024	732,365	513,522	397,273	278,091	278,091
	* Other Miscellaneous Revenues	12,107					
	<b>Total Revenues</b>	<b>24,447,995</b>	<b>24,475,978</b>	<b>24,257,135</b>	<b>30,598,417</b>	<b>29,532,081</b>	<b>31,186,981</b>
	<b>Expenditures</b>						
	* Claims Costs (limited to first \$1M)	(14,020,269)	(15,140,237)	(15,140,237)	(16,094,442)	(16,255,386)	(16,417,940)
	* Insurance Premiums	(5,004,699)	(6,761,099)	(6,732,191)	(7,095,904)	(7,335,366)	(7,555,427)
	* Prosecutors and ORM Overhead	(4,051,663)	(4,802,769)	(4,802,769)	(4,416,920)	(4,564,583)	(4,680,980)
	* Transfers to Other Funds (MARR )	(301,951)	(302,421)	(302,421)	(333,202)	(342,398)	(351,130)
	<b>Total Expenditures</b>	<b>(23,378,582)</b>	<b>(27,006,526)</b>	<b>(26,977,618)</b>	<b>(27,940,468)</b>	<b>(28,497,734)</b>	<b>(29,005,477)</b>
	<b>Other Fund Transactions</b>						
	* Adjustments for Incurred Losses		(4,431,274)	(4,431,274)	(3,231,082)	(3,263,393)	(3,296,027)
	* Transfer to Catastrophic Loss Program	(5,000,000)					
	<b>Total Other Fund Transactions</b>	<b>(5,000,000)</b>	<b>(4,431,274)</b>	<b>(4,431,274)</b>	<b>(3,231,082)</b>	<b>(3,263,393)</b>	<b>(3,296,027)</b>
	<b>Ending Undesignated Fund Balance</b>	<b>11,068,460</b>	<b>1,871,216</b>	<b>3,916,702</b>	<b>3,343,569</b>	<b>1,114,523</b>	<b>-</b>
<b>CATASTROPHIC LOSS RESERVES (above the \$1 Million per occurrence threshold)</b>	<b>Beginning Fund Balance</b>	9,341,059	8,018,142	9,900,144	9,938,378	11,298,254	11,347,891
	<b>Revenues</b>						
	* Cat Loss Insurance Recoveries	1,952,104		7,189,766			
	* Interest Revenue	139,742	129,241	38,234	62,046	49,637	49,637
	* Other Adjustments-Transfers <sup>5</sup>	5,000,000			1,297,830		
	<b>Total Revenues</b>	<b>7,091,846</b>	<b>129,241</b>	<b>7,228,000</b>	<b>1,359,876</b>	<b>49,637</b>	<b>49,637</b>
	<b>Expenditures</b>						
	* Claims Costs > \$1.0 Million Threshold	(6,532,761)		(7,189,766)			
	<b>Total Expenditures</b>	<b>(6,532,761)</b>	<b>-</b>	<b>(7,189,766)</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Ending Fund Balance</b>	<b>9,900,144</b>	<b>8,147,383</b>	<b>9,938,378</b>	<b>11,298,254</b>	<b>11,347,891</b>	<b>11,397,528</b>
	<b>Less: Reserves &amp; Designations</b>						
	* Reserved for Losses Over \$1 Million <sup>6</sup>	(12,783,239)	(15,000,000)	(14,956,234)	(15,000,000)	(15,000,000)	(15,000,000)
	<b>Total Reserves &amp; Designations</b>	<b>(12,783,239)</b>	<b>(15,000,000)</b>	<b>(14,956,234)</b>	<b>(15,000,000)</b>	<b>(15,000,000)</b>	<b>(15,000,000)</b>
	<b>Ending Undesignated Fund Balance</b>	<b>(2,883,095)</b>	<b>(6,852,617)</b>	<b>(5,017,856)</b>	<b>(3,701,746)</b>	<b>(3,652,109)</b>	<b>(3,602,472)</b>
<b>TOTAL ENDING UNDESIGNATED FUND BALANCE</b>		<b>8,185,365</b>	<b>(4,981,401)</b>	<b>(1,101,154)</b>	<b>(358,177)</b>	<b>(2,537,586)</b>	<b>(3,602,472)</b>

**Financial Plan Notes:**

<sup>1</sup> 2010 Actuals based on ARMS financial system.

<sup>2</sup> 2011 Council Adopted Budget.

<sup>3</sup> 2011 Estimated based on projected insurance premium renewals and projected claims payment trends.

<sup>4</sup> Revenue projections: 25% increase from 2011 adopted to 2012 Proposed, 1.34% average increase from 2012 to 2014. Expenditures in 2013 and 2014 are projected to grow on average of 2 percent; overhead, ABT debt service and MARR costs projected at 2.76% and 2.55% growth in 2013 and 2014 per OEFA forecast, respectively.

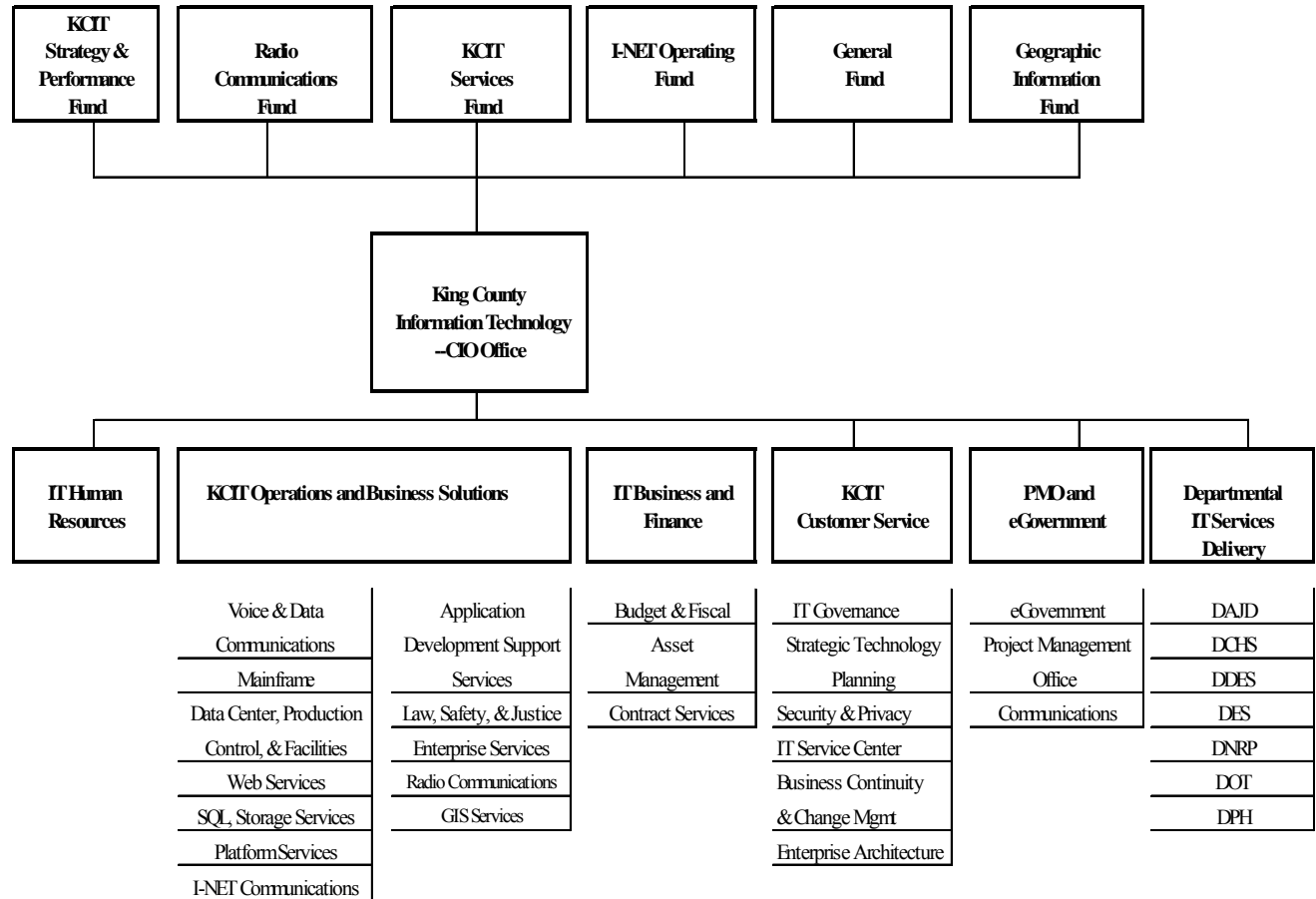
<sup>5</sup> 2012 Catastrophic reimbursement.

<sup>6</sup> Per catastrophic loss fund balance policy at required level of \$15 million.

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## King County Information Technology

## King County Information Technology Organization Chart



## ***KING COUNTY INFORMATION TECHNOLOGY***

***Mission:***

Knowledge  
Collaboration  
Innovation  
Teamwork:  
**K C I T.**

### ***OVERVIEW***

KCIT is focused on providing governmental technology services to its customers. The technology vision for King County is focused on providing excellent service to make KCIT the top vendor and employer of choice among its peers. The 2012 Proposed Budget supports the key goals and technology alignment to the King County Strategic Plan as described in the KCIT business plan. These include service excellence, financial stewardship, public engagement, and quality workforce. 2012 will be an important transition year for KCIT as it moves toward a service based organization. KCIT is dedicated to continuous improvements with excellent workforce and to expand regional partnerships for mutual benefits of the organizations. The

benefits have been proven by the County's active participation in various regional committees such as the Radio Executive Policy Committee and close partnership with the State in contract administration.

### **2012 Key Issues**

The consolidation of the KCIT organization is empowering and driving significant change within technology services. There are approximately 250 IT staff transferring to KCIT; This transfer does not include resources for business support, such as human resources, payroll, fiscal, finance, budget, contracts, and other support that were previously provided by individual departments. These support services will be gradually transferred to KCIT in 2012 without additional resources to KCIT. The 2012 support and the overall coordination cost for consolidation is estimated at \$250,000 that will be covered within the existing budget, reflecting a cost avoidance. The on-going cost to support the new KCIT will be assessed as part of the 2013 budget development.

A second, change driver is the county's recent signing of a six year countywide Enterprise License Agreement (ELA) with Microsoft. This event is significant because it enables standardization across workstations and related support functions. Combined with the recent, clear, strategic direction provided by the King County Strategic Plan, and related efforts on customer service, product focus, and continuous improvement, significant change initiatives have been identified to take advantage of current opportunities and direction.

One example of a change initiative is the use of an Enterprise Architecture (EA). The powerful enabling capability of EA supporting the Strategic Technology Plan which in turn supports the King County Strategic Plan. This will allow KCIT to have a larger interconnected roadmap of future county IT needs and projects. Further, this will enable the county to direct spending towards the most beneficial and useful county-wide projects without having one-off solutions implemented by several different individual departments. A third change driver is the development of a product catalog linked to customer needs. KCIT is one of the first agencies to identify its products and associated budgets. The KCIT budget submittal includes preliminary reports on this effort. 2012 will be a transition year for product definition to avoid impact to the 2012 PSQ rates. KCIT will be working with its customers to refine its product which will result more transparent costs and a product catalog for 2013 to allow customers to select products and services based on their needs.

## **HOW WE DELIVER**

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Fourth, KCIT is undertaking a large project to retire the county mainframe. The technology is outdated, and the accompanying support and operating costs are quite high compared to other computing environments. There are numerous benefits to migrating the applications currently operating on the mainframe including, but not limited to:

- **Cost Reduction** – The primary benefit of the mainframe retirement effort is to lower ongoing operating costs for County agencies dependent on mainframe applications. IT operating costs are lower in a shared services environment. Incremental improvements can be made at lower costs resulting in increased flexibility for business operations.
- **Recruitment/Retention of Staff** – Moving current outmoded mainframe applications to a modern server-based environment will help to ensure KCIT can continue to provide skilled resources to support business applications and will be able to retain and recruit thereby reducing risk to the County.
- **Access to Off-the-Shelf Products** – There are thousands of products and tools that KCIT can take advantage of in a server-based environment. It is estimated that over 70 percent of the cost of an application is maintenance. Licensing costs for mainframe products are high in comparison to current server based platforms.

Finally, in 2012, KCIT will lead the County to embrace the concept of cloud computing as a way to increase efficiency and decrease technology cost by consolidating servers and reducing the both overall purchase and administrative costs. Cloud computing will eventually replace most of the traditional data storage and computing in a hardware environment with a service provision concept based on client's storage needs. This will avoid inefficiency of unused server capacity and eliminate waiting time that is normally needed for server setup.

To promote public engagement and open government, KCIT will lead projects to implement tactical changes to the current King County internet environment. This project will start working on three top priority programs as requested by the council: Property Assessment Appeals, King County Internet Re-Architecture, and Public Criminal Case Status.

### **Executive Priorities as considered in 2012 Business Planning and Budget Development**

The Executive's 2012 priorities to advance the King County Strategic plan and inform the 2012 Proposed Budget spotlighted consideration of Equity and Social Justice; attainment of a three percent efficiency target while maintaining value and service levels; and KCSP alignment of agency goals, objectives, and services.

- **Equity and Social Justice** – KCIT interacts primarily with internal county agencies and external municipalities and agencies and therefore has very little direct contact with the general public. Because of this the overall strategy employed to further the County's Equity and Social Justice (ESJ) policy is to use the internal policies/procedures and services that are provided to customer agencies that further ESJ goals. These include considering the social impacts of KCIT's hiring practices, IT project development/conceptual review, and procurement activities.
- **3 Percent Efficiency Goal** – Because KCIT is an internal support organization, all of the changes identified will improve the efficiency of King County's support infrastructure. As collaboration and mobility tools become more broadly available and understood, significant changes in where and how staff work together are possible. The ability for teams to form, work together and disband will require much less planning and logistical support when all team members can move to a communal work area, connect to all required information wirelessly, and receive phone calls, voice messages, e-mails, calendars, documents, and applications all through technology. This can and should have a significant impact on how the County designs and allocates workspace. In addition, these enhanced capabilities will enable more effective telecommute and work from home options.



### ***PRODUCT TEST CASE: KING COUNTY INFORMATION TECHNOLOGY***

In preparing the 2012 Proposed Budget, King County took the first step toward product-based budgeting, which would highlight the specific services or products provided by an agency rather than focus on incremental changes to the base budget. Six County agencies were selected to develop services and programs into product-based budgets. KCIT is one of the test cases in 2012. The following is a description of KCIT's products.

### ***INTRODUCTION***

King County Information Technology (KCIT) provides information technology services to the entire County. Our test case presents eight end-user services. Note that there are varying levels of usage of each of the services throughout the County. Separately elected departments only use certain aspects of the workstation service, while Executive Branch departments use all aspects of the workstation service, to varying degrees.

### **Test Case Products**

KCIT provides the following services as products:

- Applications: Professional services required for analysis, development, implementation and support of business applications;
- Business Analysis: Business process analysis, business architecture, workflow modeling, and business process reengineering services;
- E-Government: Administration of enterprise content and services related to the county website (intranet and internet), including the management and administration of all content and supporting tools;
- IT Project: IT project management services to deliver projects successfully;
- IT Training: IT training services to enhance staff capabilities, efficiency, and effectiveness;
- Regional Services: Provision of regional services to internal and external King County customers, including regional radio (800 MHz) services, institutional network (I-NET) services, Intergovernmental Network (IGN), Geographical Information Services (GIS), and cable communications (for unincorporated King County);
- Voice Services: Coordination of installation, maintenance, and monitoring of County phone services;
- Workstations: Provision, maintenance, and support of personal computer devices, network connectivity, and functionality.

### Development of KCIT's Products

KCIT viewed the 2012 Test Case as an opportunity to align internal efforts of bringing more accountability and transparency to our services with the Budget Office's efforts to bring more rigorous "out of the box" thinking to making government more efficient.

Prior to 2012, KCIT's budgeting process was based on a number of budgeting approaches that "lumped" a wide range of services into a few key rates, "cost per mail box", "cost per FTE", etc. Our customers knew what they paid for KCIT's services, but they didn't always understand what they "got".

KCIT has gone through an exciting process of restructuring and redefining our services. The first step was to clearly document the many types of IT services KCIT provides (we all knew what we did, but we hadn't taken the time to document what we do in several years). The result was comprehensive documentation of 96 IT Services, which we then aligned to eight end-user services.

KCIT has identified an internal Service Owner for each of these identified eight services. We are working with our service owners to bring a greater sense of ownership and accountability to the services that KCIT provides. In the past, when services were impacted, KCIT often struggled with accountability. Going forward, KCIT's Service Owners are tasked with looking at services from a comprehensive lens. Service Owners will be working closely with a wide range of specific IT work group to ensure strong support for their service. An example is the Applications Service Owner, who will be working closely with Systems Engineering staff (who support the services that the applications reside on) and Networks Engineering staff (who support the network that connects the end-user's workstation to the application residing on a server). While KCIT has made significant strides in our efforts, we are still actively working on a number of key elements:

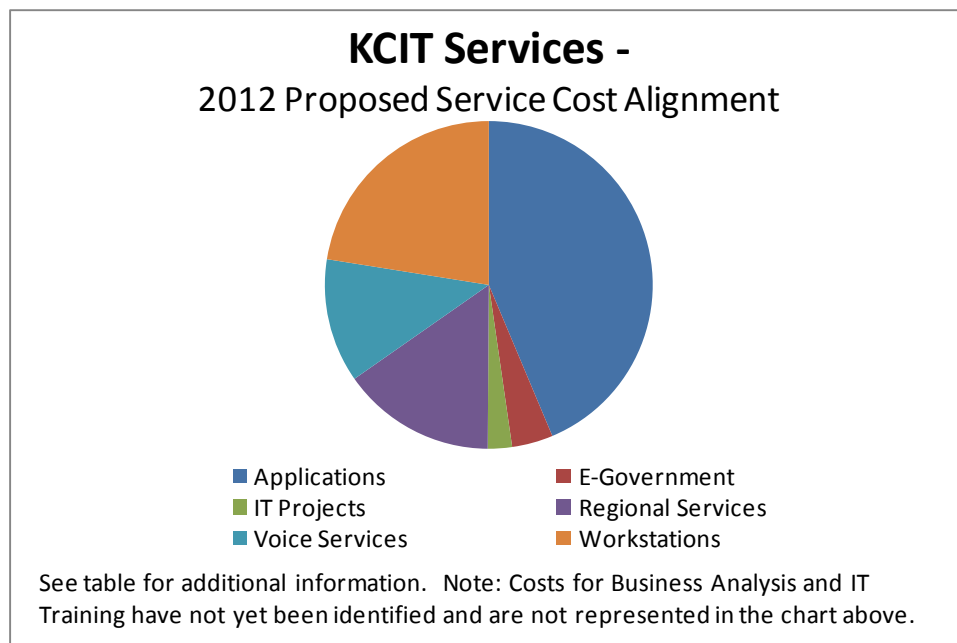
- finalizing strong performance measurements for each of the eight services in the following areas: quality, timeliness, and customer satisfaction;
- building an on-going, accountable, and transparent reporting structure that allows KCIT and our customers to dialog on a regular basis regarding KCIT services;
- establishing rate per unit costs for each of the services; and
- creating an "order form" for each of our services that brings greater transparency of rates and understanding of services to our customers.

We expect to finalize our performance measurements in September 2011 and pilot a reporting structure during the fourth quarter of 2011, with full implementation in 2012. We plan to establish the rate/unit for each service and the associated "order form" in time for the 2013 PSQ associated with the 2013 budget cycle.

The Cost-Per Product information reflects KCIT's progress in the development of our services, at the point in time that this Test Case was submitted, early September 2011. All of this information continues to be actively improved upon and further developed.

### **Cost-Per-Product Discussion**

*The product test case work represents KCIT's initial work with innovative and challenging concepts around making government more efficient, more effective, and more accountable. The information presented is representative and expected to evolve over time. It is not considered or intended to be a final answer to more efficient and effective government work, rather, it is an initial starting point from which to learn, explore, and grow.*



There are a number of assumptions that were made as part of the 2012 Test Case that are expected to change as KCIT's service model matures. Some, but not all, of these assumptions include:

- Business Analysis and IT Training are new services that are in development. As a result, costs are not available for inclusion in this submittal.
- In 2012, costs associated with the King County Wide Area Network were allocated 100% to the Applications service. It is expected that these costs will be distributed across a number of services in 2013.

## HOW WE DELIVER

Product	<i>2012 Cost of Service Changes expected with 2013 Rate Development</i>	% Service Represents of Total KCIT Budget	Alignment to KCIT Strategic Plan
Applications	\$35,676,933	44%	Service Excellence – 2b, 2c, 2d
Workstations	\$18,381,196	22%	Service Excellence – 2d
Regional Services	\$12,405,656	15%	Service Excellence – 1c, 2b, 2d, 3b, 3c, 3d Justice & Safety – 1b, 1d, 1e, 4b Public Engagement – 1b Quality Work Force – 3d Financial Stewardship – 1b
Voice Services	\$9,988,592	12%	Service Excellence – 3e Public Engagement – 1c
e-Government	\$3,320,207	4%	Service Excellence – 4a, 4c Public Engagement – 1a, 1b, 1c, 2b, 3a, 3c
IT Projects	\$1,949,435	2%	Service Excellence – 2a, 2b, 2d Fiscal Stewardship – 1d
Business Analysis	n/a – this service is in development	n/a – this service is in development	Service Excellence – 1c, 2a, 2b, 2d, 3a Fiscal Stewardship – 1a, 1d, 2a Quality Workforce – 3a
IT Training	n/a – this service is in development	n/a – this service is in development	Quality Workforce – 2a, 2b, 2c, 2d, 2e
Total	\$81,722,019	100%	n/a

**2012 Proposed Budget for  
KCIT Services 5531/0432**

Code/ Item#	Description	Expenditures	FTEs *	TLTs
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	26,308,163	111.00	1.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	829,858	0.00	0.00
<b>Direct Service Changes</b>				
DS01	Reduce Analysts for Application Support	(1,137,667)	(7.00)	0.00
<b>Technology Cost Savings</b>				
CS02	Full IT re-organization into One KCIT	33,565,564	217.25	0.00
<b>Program Changes</b>				
PC01	eGovernment Program change	110,311	1.00	0.00
PC02	Additional Resources for DOT KCIT	410,203	1.00	2.00
		<b>520,514</b>	<b>2.00</b>	<b>2.00</b>
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(388,032)	0.00	0.00
CR05	General Fund Overhead Adjustment	298,022	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(151,962)	0.00	0.00
CR08	Technology Services Infrastructure Charge	(10,046)	0.00	0.00
CR09	Geographic Information Systems Charge	4,274	0.00	0.00
CR10	KCIT Operations Charge/Rebate	68,487	0.00	0.00
CR11	Telecommunications Services	192,833	0.00	0.00
CR12	Telecommunications Overhead	87,932	0.00	0.00
CR13	Motor Pool Rate Adjustment	4,593	0.00	0.00
CR16	Radio Access	66	0.00	0.00
CR18	Radio Direct Charges	(81)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	(2,297)	0.00	0.00
CR21	G.O. Debt Service Adjustment	(90,250)	0.00	0.00
CR22	Long Term Leases	32,683	0.00	0.00
CR25	Financial Service Charges	138,203	0.00	0.00
CR26	Retirement Rate Adjustment	(321,263)	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(10,451)	0.00	0.00
CR36	Property Services Lease Administration Fee	256	0.00	0.00
CR37	Facilities Management Strategic Initiative	7,309	0.00	0.00
CR38	Major Maintenance Repair Fund	(15,236)	0.00	0.00
CR46	KCIT Technology Projects	84,857	0.00	0.00
CR48	Business Resource Center	45,333	0.00	0.00
		<b>(24,770)</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA39	COLA Adjustment	342,314	0.00	0.00
<b>2012 Proposed Budget</b>		<b>60,403,976</b>	<b>323.25</b>	<b>3.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

**2012 Proposed Financial Plan**  
**KCIT Services Fund (OIRM Technology Services) 5531/0432**

	2010 Actual <sup>1</sup>	2011 Adopted	2011 Estimated <sup>2</sup>	2012 Proposed	2013 Projected <sup>3</sup>	2014 Projected <sup>3</sup>
Beginning Fund Balance	5,554,568	6,580,918	6,954,693	4,364,360	5,952,694	5,195,716
<b>Revenues</b>						
* Central Rate Charges to Other Funds (34880, 34886A & 34884)	21,886,333	20,172,144	19,678,435	18,686,529	54,624,014	56,938,240
* Central Rate Charges to Cover Bond Payment	964,892	1,632,377	1,632,377	1,584,128	1,584,128	1,584,128
* Business Continuity	445,894	453,715	453,715	603,319	627,452	652,550
* Rates for Equipment Replacement	566,135	541,820	541,820	741,553	771,215	802,064
* One-time Rebate (34887)	(187,500)	(437,281)	(437,281)	(1,096,922)	-	-
* One-time Rebate - 2010 Bond Payment Collection (34887)		(1,347,195)	(1,347,195)			
* New Development/Projects (34882)	938,866	1,979,663	1,979,663	1,266,521	1,317,181	1,369,869
* IT Service Center (34886)				2,237,207		
* Agencies Consolidation (34886)				29,644,914		
* Telecom (34811)				1,954,441		
* GF transfer (Enterprise Licensing) (39780)	900,083					
* Misc. Revenue (incl. Ext. Customers & ITS OH Charges) (44916, 44917, 44918, 44919, 44925, 34180, 44923)	2,311,645	1,072,971	1,218,971	3,914,477	1,292,110	1,330,873
* One-time adjustment to ADSS Revenue	(129,675)	-	-	-	-	-
	-	-	-	-	-	-
<b>Total Revenues</b>	<b>27,696,673</b>	<b>24,068,214</b>	<b>23,720,505</b>	<b>59,536,167</b>	<b>60,216,101</b>	<b>62,677,723</b>
<b>Expenditures</b>						
* Operating Expenditures (Sum of all 5xxxx) less 58053	(25,730,413)	(24,133,966)	(24,133,966)	(57,427,181)	(59,149,996)	(60,924,496)
* Budget Carryover			(490,145)			
* Bond Payments (58040)		(1,632,377)	(1,632,377)	(1,584,128)	(1,584,128)	(1,584,128)
* Transfer to ITS Capital Fund - EW Eq. Replacement (58053)	(566,135)	(541,820)	(541,820)	(741,553)	(771,215)	(802,064)
* 2011 Omnibus-ORD 17073	-	-	5,835			
* 2011 Q3 Omnibus Benefits and Retirement Savings			297,027			
* 2011 Q3 Omnibus Transferred Telecom correction (2012)			(177,402)			
* Supplemental for 5-year IT Maintenance (Cisco)			(2,420,254)			
* Proposed Interfund Borrowing Loan Repayment				(651,114)	(651,114)	(661,114)
* ABT Debt Service Allocation <sup>7</sup>					(60,974)	(60,974)
<b>Total Expenditures</b>	<b>(26,296,548)</b>	<b>(26,308,163)</b>	<b>(29,093,102)</b>	<b>(60,403,976)</b>	<b>(62,217,428)</b>	<b>(64,032,776)</b>
Estimated Underexpenditures <sup>6</sup>		362,009	362,009	1,208,080	1,244,349	1,280,656
Other Fund Transactions						
Equity Transfer from Telecom Fund	-	-	-	792,064	-	-
Deferred Revenue				456,000		
Interfund Borrowing			2,420,254			
Total Other Fund Transactions	-	-	2,420,254	1,248,064	-	-
Ending Fund Balance	6,954,693	4,702,978	4,364,360	5,952,694	5,195,716	5,121,319
<b>Reserves &amp; Designations</b>						
* Compensated Absences <sup>5</sup>	(2,158,373)	(2,407,721)	(2,158,373)	(2,158,373)	(2,529,193)	(2,529,193)
* Business Continuity	(1,015,455)	(1,015,455)	(800,000)	(800,000)	(800,000)	(800,000)
* Reserve for Refund (2010 Bond Payment Collection)	(964,892)					
* Rate Stabilization	(1,618,229)	(490,558)	(533,194)			
* Reserve for Encumbrance	(346,143)	-	-	-	-	-
* Corrections to Revenue				(2,423,251)		
<b>Total Reserves &amp; Designations</b>	<b>(6,103,092)</b>	<b>(3,913,734)</b>	<b>(3,491,567)</b>	<b>(5,381,624)</b>	<b>(3,329,193)</b>	<b>(3,329,193)</b>
Ending Undesignated Fund Balance	851,601	789,244	872,793	571,071	1,866,523	1,792,126
<b>Target Fund Balance <sup>4</sup></b>	<b>788,896</b>	<b>789,245</b>	<b>872,793</b>	<b>1,812,119</b>	<b>1,866,523</b>	<b>1,920,983</b>

**Financial Plan Notes:**

<sup>1</sup> 2010 Actuals are taken from the 2010 CAFR or 14th Month ARMS/IBIS.

<sup>2</sup> 2011 Estimated is based on revised 2nd Quarter report and recent supplementals

<sup>3</sup> 2013 and 2014 Projected are based on 4% increase in revenue and 3% increase in expenditures annually

<sup>4</sup> Target fund balance is based on 3% of operating expenditures. Plan to meet this over time given the KCIT re-org.

<sup>5</sup> 2010 Compensated absences was based on 2010 CAFR

<sup>6</sup> Estimated underexpenditure was based on 2% of central services budget and the difference between Telecom budget and the rates

<sup>7</sup> This charge represents estimated debt service for the Accountable Business Transformation (ABT) Program which begins in 2013 and runs for ten years.

## **KCIT Technology Services**

### ***PROGRAM HIGHLIGHTS***

The 2012 Proposed Budget for King County Information Technology (KCIT) Technology Services department is \$60,403,976 and includes funding for 323.25 FTEs.

### **Adjustments to the 2011 Adopted Budget**

Adjustments to the 2011 Adopted Budget were made to incorporate inflation in labor and other select operating costs. All of the adjustments result in a net increase of \$829,858 from the 2011 Adopted Budget.

### **Technology Cost Savings**

**Full Information Technology Reorganization into One KCIT – \$33,565,564 Expenditure / 33,218,002 Revenue / 217.25 FTEs.** KCIT is consolidating the Executive Department's IT services into one organization. The move will include FTEs and IT budget for the various departments in the Executive branch. There will be no changes or impacts to programs or service in 2012. The budget will move from the individual department to KCIT but will continue to be directed by the (information technology service delivery manager (ITS DM)). Service delivery and performance will be managed through a Service Level Agreement. The table below shows the details of the change, and within each individual agency, a corresponding transfer is shown to KCIT.

Departmental Transfers:	Budget	FTEs
Telecommunications	\$2,663,947	8.00
Dept of Adult and Juvenile Detention	659,264	5.00
Dept of Development and Environmental Services	870,888	6.00
Dept of Executive Services	1,925,347	15.00
DOT-Infrastructure	2,215,687	6.00
DOT-Management & Administration	3,664,372	28.25
DOT-Business Solutions	3,159,945	24.00
DNRP-Administration	1,229,180	7.00
DNRP-Solid Waste Division	883,594	4.00
DNRP-Water and Land Resources Division	3,218,893	23.00
DNRP-Wastewater Treatment Division	1,437,265	10.00
DNRP-Parks	283,139	1.00
Dept of Public Health	6,599,669	47.00
Dept of Community and Human Services	3,353,751	20.00
Consolidation:		
Service Center - Consolidated Help Desk Support	1,400,623	13.00
<b>Total KCIT Services</b>	<b>\$33,565,564</b>	<b>217.25</b>

## **HOW WE DELIVER**

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### **Program Changes**

**eGovernment Program Change – \$110,311 Expenditure / 1.00 FTE.** Under the expanded service model, the intranet will transition to a SharePoint MOSS 2012 infrastructure. The eGov Team will be the primary administrative management group for this environment. This will help create standard web pages, services, documents, and collaboration across both government and the public, and will lower the cost of these interactions. This position is moving from KCIT Strategy and Performance.

**Additional Resources for DOT KCIT – \$410,203 Expenditure / \$410,203 Revenue / 1.00 FTE / 2.00 TLTs.** This change is an add request by Department of Transportation (DOT) for critical business needs for their IT systems. As part of the one KCIT reorganization, this item is reflected in the KCIT budget instead of the agency budget. This is a revenue backed change because of the agreement between KCIT and the agency for funding. These additional funds will support the integrated bus technology systems such as ORCA, on-board systems (OBS), real time information systems, and others.

### **Direct Service Reductions**

**Reduce Analysts for Application Support – (\$1,137,667) Expenditure / (\$1,089,149) Revenue / (7.00) FTEs.** This proposal reduces 14 positions budgeted for six months time which equates to seven FTE analyst positions. These positions remain from the transfer to the Business Resource Center (BRC) in 2011. The adjustment also reflects the move of legacy system maintenance to the BRC starting on July 1, 2011.

### **Technical Changes**

**COLA - \$342,314.** This amount reflects the change from the preliminary Office of Economic and Financial Analysis forecast for Cost of Living Adjustment (COLA), which was 1.77 percent, to the final 2012 COLA rate of 1.63 percent. With the IT services reorganization, many personnel were transferred into the agency who did not have COLA budgeted in KCIT, thus the increase shown here.

### **Central Rate Changes**

**Central Rate Adjustments – (\$24,770).** This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in a decrease in charges to the agency. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.



**2012 Proposed Budget for  
Cable Communications 0010/0437**

<b>Code/ Item#</b>	<b>Description</b>	<b>Expenditures</b>	<b>FTEs *</b>	<b>TLTs</b>
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	297,723	1.00	0.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	4,662	0.00	0.00
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(636)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(42)	0.00	0.00
CR08	Technology Services Infrastructure Charge	1,044	0.00	0.00
CR10	KCIT Operations Charge/Rebate	78	0.00	0.00
CR11	Telecommunications Services	(21)	0.00	0.00
CR12	Telecommunications Overhead	(21)	0.00	0.00
CR25	Financial Service Charges	911	0.00	0.00
CR26	Retirement Rate Adjustment	200	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(62)	0.00	0.00
CR37	Facilities Management Strategic Initiative	1	0.00	0.00
CR48	Business Resource Center	832	0.00	0.00
		<b>2,284</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA39	COLA Adjustment	(160)	0.00	0.00
TA50	Revenue Adjustment (-\$184,683)	0	0.00	0.00
		<b>(160)</b>	<b>0.00</b>	<b>0.00</b>
<b>2012 Proposed Budget</b>		<b>304,509</b>	<b>1.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

### Cable Communications

#### ***PROGRAM HIGHLIGHTS***

The Office of Cable Communications has a base budget of \$304,509 and is staffed by 1.00 FTE. Cable manages the County's cable television franchise agreements and ensures appropriate collections of franchise and Public, Educational, and Government (PEG) fees of about \$3.5 million per year from companies that hold a cable franchise agreements with the County. The office also provides resources to respond to customers' complaints and questions related to cable television services and systems in unincorporated King County. This group is organized under KCIT.

#### **Adjustments to the 2011 Adopted Budget**

Adjustments to the 2011 Adopted Budget were made to incorporate inflation in labor and other select operating costs. All of the adjustments result in a net increase of \$4,662 from the 2011 Adopted Budget.

#### **Technical Changes**

**COLA - (\$160).** This amount reflects the change from the preliminary Office of Economic and Financial Analysis forecast for Cost of Living Adjustment (COLA), which was 1.77 percent, to the final 2012 COLA rate of 1.63 percent.

#### **Central Rate Changes**

**Central Rate Adjustments – \$2,284.** This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in an increase in charges to the agency. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

**2012 Proposed Budget for**  
**KCIT Strategy and Performance 5471/1550M**

Code/ Item#	Description	Expenditures	FTEs *	TLTs
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	4,039,792	27.00	1.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	1,228	0.00	0.00
<b>Efficiency Reductions</b>				
ER44	Agency Efficiency Credits for FMD O & M Charges	(71,855)	0.00	0.00
<b>Program Changes</b>				
PC01	eGovernment Program change	(110,311)	(1.00)	0.00
PC02	PCI Compliance O&M	76,000	0.00	0.00
		<b>(34,311)</b>	<b>(1.00)</b>	<b>0.00</b>
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(16,368)	0.00	0.00
CR05	General Fund Overhead Adjustment	7,097	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(48,217)	0.00	0.00
CR08	Technology Services Infrastructure Charge	17,248	0.00	0.00
CR11	Telecommunications Services	(3,678)	0.00	0.00
CR12	Telecommunications Overhead	(9,363)	0.00	0.00
CR13	Motor Pool Rate Adjustment	748	0.00	0.00
CR14	Facilities Management Space Charge	55,551	0.00	0.00
CR15	Insurance Charges	5,605	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	(41,289)	0.00	0.00
CR21	Debt Service Adjustment	(3,987)	0.00	0.00
CR22	Long Term Leases	(96,921)	0.00	0.00
CR25	Financial Service Charges	(21,592)	0.00	0.00
CR26	Retirement Rate Adjustment	7,974	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(1,720)	0.00	0.00
CR36	Property Services Lease Administration Fee	(3,754)	0.00	0.00
CR37	Facilities Management Strategic Initiative	65	0.00	0.00
CR38	Major Maintenance Repair Fund	31,528	0.00	0.00
CR46	KCIT Technology Projects	6,938	0.00	0.00
CR48	Business Resource Center	8,940	0.00	0.00
		<b>(105,195)</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA39	COLA Adjustment	(6,858)	0.00	0.00
TA50	Revenue Adjustment	0	0.00	0.00
		<b>(6,858)</b>	<b>0.00</b>	<b>0.00</b>
<b>2012 Proposed Budget</b>		<b>3,822,801</b>	<b>26.00</b>	<b>1.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

### KCIT Strategy and Performance Fund

#### ***PROGRAM HIGHLIGHTS***

The 2012 Proposed Budget for KCIT Strategy and Performance is \$3,822,801 and includes funding for 26.00 FTEs.

KCIT Strategy and Performance is responsible for functions within the office of the Chief Information Officer (CIO) including IT governance; strategic planning; the County's Information Security and Privacy Office; and KCIT's financial, administrative, human resources, and payroll functions. The 2012 charges decreased compared to 2011 adopted rates. This was achieved through various cost saving measures and operating efficiencies. In addition the KCIT operating fund also provided a one-time rebate to all County agencies.

#### **Adjustments to the 2011 Adopted Budget**

Adjustments to the 2011 Adopted Budget were made to incorporate inflation in labor and other select operating costs. All of the adjustments result in a net increase of \$1,228 from the 2011 Adopted Budget.

#### **Program Changes**

**PCI Compliance Operations and Maintenance – \$76,000 Expenditure.** This is an on-going support cost to ensure compliance with a set of security standards that is established by the Payment Card Industry (PCI) Security Standards Council. Achieving PCI compliance is a contractual obligation of any entity which accepts credit cards as payment for goods or services.

**eGovernment Program change – (\$110,311) Expenditure / (1.00) FTE.** This position is moving to KCIT Services Fund, as described in that section.

#### **Technical Changes**

**COLA - (\$6,858).** This amount reflects the change from the preliminary Office of Economic and Financial Analysis forecast for Cost of Living Adjustment (COLA), which was 1.77 percent, to the final 2012 COLA rate of 1.63 percent.

#### **Central Rate Changes**

**Central Rate Adjustments – (\$105,195).** This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in a decrease in charges to the agency. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

**2012 Proposed Financial Plan  
KCIT Strategy and Performance 5471/1550M**

	2010 Actual <sup>1</sup>	2011 Adopted	2011 Estimated	2012 Proposed	2013 Projected <sup>3</sup>	2014 Projected <sup>3</sup>
Beginning Fund Balance	2,765,130	2,385,121	2,389,105	1,259,072	9,269,011	8,247,935
<b>Revenues</b>						
* Internal Services Rates Revenues (34884)	3,541,359	3,540,076	3,540,076	3,647,367	3,647,367	3,647,367
* Revenues from other OIRM funds (44916, 44917, 44918, 44919, 44925)	2,427,364	487,633	487,633	578,685	288,902	288,902
* One-time Rebate (34888)	(493,525)	(1,329,628)	(1,329,628)		(8,827,650)	(8,075,781)
* Miscellaneous Revenues (36999) <sup>6</sup>	35,339	90,696	90,696	18,428	18,981	19,550
<b>Total Revenues</b>	<b>5,510,537</b>	<b>2,788,777</b>	<b>2,788,777</b>	<b>4,244,480</b>	<b>(4,872,400)</b>	<b>(4,119,961)</b>
<b>Expenditures</b>						
*Operating Expenditures (Sum all 5xxxx)	(5,886,562)	(4,039,792)	(4,039,792)	3,822,801	3,937,485	4,055,610
*Budget Carryover			(10,617)			
*2011 Q3 Omnibus Benefits and Retirement Savings			71,922			
*ABT Debt Service Allocation <sup>7</sup>					(27,512)	(27,512)
<b>Total Expenditures</b>	<b>(5,886,562)</b>	<b>(4,039,792)</b>	<b>(3,978,487)</b>	<b>3,822,801</b>	<b>3,909,973</b>	<b>4,028,098</b>
Estimated Underexpenditures <sup>2</sup>		60,597	59,677	(57,342)	(58,650)	(60,421)
Other Fund Transactions						
Total Other Fund Transactions	-	-	-		-	-
Ending Fund Balance	2,389,105	1,194,703	1,259,072	9,269,011	8,247,935	8,095,650
Reserves & Designations						
* Compensated Absences <sup>5</sup>	(570,911)	(694,654)	(599,457)	(629,429)	(660,901)	(693,946)
* Rate Stabilization	(1,082,374)			(8,827,650)	(8,075,781)	
* Revenue Corrections				(289,782)		
Total Reserves & Designations	(1,653,285)	(694,654)	(694,654)	(9,746,861)	(8,736,681)	(693,946)
Ending Undesignated Fund Balance	735,820	500,049	564,418	(477,850)	(488,747)	7,401,704
Target Fund Balance <sup>4</sup>	735,820	504,974	497,311	(477,850)	(488,747)	(503,512)

**Financial Plan Notes:**

<sup>1</sup> 2010 Actuals are from the 2010 CAFR.

<sup>2</sup> Estimated underexpenditure is 1.5% of operating expenditures.

<sup>3</sup> 2013 and 2014 Projected are based on no rate increase in revenue. Expenditure assumed to increase by 3% annually.

<sup>4</sup> Target fund balance is based on 1.5 month of operating expenditures.

<sup>5</sup> Compensated absences was based on 2010 CAFR with 5% growth in the outyears.

<sup>6</sup> 2011 Rebate was determined based on the 2011 estimated undesignated fund balance.

<sup>7</sup> This charge represents estimated debt service for the Accountable Business Transformation (ABT) Program which begins in 2013 and runs for ten years

**2012 Proposed Budget for  
I-Net Operations 4531/0490**

<b>Code/ Item#</b>	<b>Description</b>	<b>Expenditures</b>	<b>FTEs *</b>	<b>TLTs</b>
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	2,924,237	8.00	0.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	14,369	0.00	0.00
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(5,088)	0.00	0.00
CR05	General Fund Overhead Adjustment	(8,177)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(15,852)	0.00	0.00
CR08	Technology Services Infrastructure Charge	3,739	0.00	0.00
CR09	Geographic Information Systems Charge	160	0.00	0.00
CR10	KCIT Operations Charge/Rebate	758	0.00	0.00
CR11	Telecommunications Services	(51)	0.00	0.00
CR12	Telecommunications Overhead	(53)	0.00	0.00
CR13	Motor Pool Rate Adjustment	1,155	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	(725)	0.00	0.00
CR21	Debt Service Adjustment	(6,150)	0.00	0.00
CR25	Financial Service Charges	(12,204)	0.00	0.00
CR26	Retirement Rate Adjustment	1,974	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(496)	0.00	0.00
CR37	Facilities Management Strategic Initiative	9	0.00	0.00
CR46	KCIT Technology Projects	2,056	0.00	0.00
CR48	Business Resource Center	3,417	0.00	0.00
		<b>(35,528)</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA39	COLA Adjustment	(1,541)	0.00	0.00
ta50	Revenue Adjustment	0	0.00	0.00
		<b>(1,541)</b>	<b>0.00</b>	<b>0.00</b>
<b>2012 Proposed Budget</b>		<b>2,901,537</b>	<b>8.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

## **KCIT I-Net Operations**

### ***PROGRAM HIGHLIGHTS***

The 2012 Proposed Budget for KCIT I-Net Operations group is \$2,901,537 and includes funding for 8.00 FTEs.

#### **Adjustments to the 2011 Adopted Budget**

Adjustments to the 2011 Adopted Budget were made to incorporate inflation in labor and other select operating costs. All of the adjustments result in a net increase of \$14,369 from the 2011 Adopted Budget.

#### **Technical Changes**

**COLA - (\$1,541).** This amount reflects the change from the preliminary Office of Economic and Financial Analysis forecast for Cost of Living Adjustment (COLA), which was 1.77 percent, to the final 2012 COLA rate of 1.63 percent.

#### **Central Rate Changes**

**Central Rate Adjustments – (\$35,528).** This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in a decrease in charges to the agency. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

**2012 Proposed Financial Plan**  
**I-NET Operations Fund/I-Net Operations 4531/0490**

	<b>2010 Actual <sup>1</sup></b>	<b>2011 Adopted</b>	<b>2011 Estimated</b>	<b>2012 Proposed</b>	<b>2013 Projected <sup>3</sup></b>	<b>2014 Projected <sup>3</sup></b>
Beginning Fund Balance	1,775,751	1,396,179	1,780,882	1,626,198	1,384,293	1,279,707
<b>Revenues</b>						
* Other Miscellaneous Revenue (36999)	2,368,112	2,617,012	2,279,991	2,336,242	2,406,329	2,478,519
* PEG fee (42191)	451,524	339,570	414,650	303,599	265,652	267,916
* Interest Earnings (36111)	21,592	19,030	19,030	19,791	20,385	20,996
<b>Total Revenues</b>	<b>2,841,228</b>	<b>2,975,612</b>	<b>2,713,671</b>	<b>2,659,632</b>	<b>2,692,366</b>	<b>2,767,431</b>
<b>Expenditures</b>						
* Operating Expenditures (Sum of all 5xxxx - Bonds)	(1,853,207)	(1,887,751)	(1,887,751)	(1,871,201)	(1,927,337)	(1,985,157)
* Bond Payment (57101 & 57102)	(1,552,890)	(695,250)	(695,250)	(689,100)	(691,950)	(691,950)
* Annual Maintenance Savings					170,000	175,100
* Transfer to ER	(700,000)	(341,236)	(341,236)	(341,236)		
* Internal Loan Debt Repayment <sup>7</sup>					(331,281)	(331,281)
* 2011 Q3 Omnibus Benefit and Retirement Savings			20,697			
* ABT Debt Service Allocation					(16,383)	(16,383)
* Budget Carryover			(2,622)			
* Transfer add-back	1,270,000					
<b>Total Expenditures</b>	<b>(2,836,097)</b>	<b>(2,924,237)</b>	<b>(2,906,162)</b>	<b>(2,901,537)</b>	<b>(2,796,951)</b>	<b>(2,849,671)</b>
Estimated Underexpenditures		37,755	37,807	37,424	38,547	39,703
Other Fund Transactions						
Total Other Fund Transactions	-	-	-	-	-	-
Ending Fund Balance	1,780,882	1,485,309	1,626,198	1,384,293	1,279,707	1,197,467
<b>Reserves &amp; Designations</b>						
* I-Net Operating Reserve	(717,966)	(978,400)	(1,121,549)	(873,153)	(774,218)	(677,594)
* Compensated Absences <sup>2</sup>	(134,647)	(141,379)	(141,379)	(148,448)	(155,870)	(163,664)
Total Reserves & Designations	(852,613)	(1,119,779)	(1,262,928)	(1,021,601)	(930,088)	(841,258)
Ending Undesignated Fund Balance	425,913	365,530	365,530	362,692	349,619	356,209
Target Fund Balance <sup>4</sup>	425,913	365,530	363,270	362,692	349,619	356,209

**Financial Plan Notes:**

- <sup>1</sup> 2010 Actuals are from the 2010 CAFR.
- <sup>2</sup> Compensated Absences based on 2009 CAFR increased by 5% annually.
- <sup>3</sup> 2013 and 2014 Projected Revenue are based on the status quo customer base as of 04/2010 with the new rate structure introduced in 2011. 3% growth assumed in both revenue and expenditure. The revenue reduction in 2011 from the termination of the video conferencing service due to changes in technology.
- <sup>4</sup> Target fund balance is equal to 1.5 months of Operating Expenses.
- <sup>5</sup> Estimated Underexpenditures is 2% of the operating expenditure.
- <sup>6</sup> Assumed PEG fee change in accordance with current Comcast agreement (\$0.55 per subscriber). Updated to include the community grants (08/2011).
- <sup>7</sup> Assumed a 5-year interfund borrowing with 3% interest annually on \$1.5M loan amount.



**2012 Proposed Budget for  
Telecommunications 5532/0433**

Code/ Item#	Description	Expenditures	FTEs *	TLTs
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	1,827,495	8.00	0.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	41,079	0.00	0.00
<b>Technology Cost Savings</b>				
CS02	Transfer Telecom to Technical Services	(1,954,441)	(8.00)	0.00
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	6,432	0.00	0.00
CR05	General Fund Overhead Adjustment	(246)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	5,479	0.00	0.00
CR08	Technology Services Infrastructure Charge	1,100	0.00	0.00
CR10	KCIT Operations Charge/Rebate	605	0.00	0.00
CR11	Telecommunications Services	445	0.00	0.00
CR12	Telecommunications Overhead	224	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	(844)	0.00	0.00
CR25	Financial Service Charges	56,548	0.00	0.00
CR26	Retirement Rate Adjustment	14,460	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(368)	0.00	0.00
CR48	Business Resource Center	2,032	0.00	0.00
		<b>85,867</b>	<b>0.00</b>	<b>0.00</b>
<b>2012 Proposed Budget</b>		<b>0</b>	<b>0.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

### Telecommunications

#### *PROGRAM HIGHLIGHTS*

The Telecommunications fund is being merged with the KCIT Services fund and will be reflected in that budget in 2012, therefore the 2012 Proposed Budget for the Telecommunications group is \$0 and includes funding for no FTEs. All associated costs, revenues, and FTEs will continue as a sub-group within KCIT.

#### Technology Cost Savings

**Transfer Telecommunications Staff and Resources to KCIT Services Fund – (\$1,954,441) / (8.00) FTEs.** The Telecommunications group is proposed to be transferred to KCIT Services as part of the One IT reorganization. The move will include FTEs and IT budget for the department. There will be no changes or impacts to programs or service in 2012.

#### **KCIT Geographic Information Systems (GIS)**

#### 2012 Key Issues

**GIS Regional Imagery Acquisition** -The KCGIS Regional Aerial Imagery Acquisition proposal discussed in more details later in this section advances the King County Strategic Plan (KCSP) of Service Excellence Goal, Objective 3. Strategy A: “Engage in partnerships to solve problems, expand services and inform decision making,” and Objective B: “Define King County’s role in regional issues as a leader, equal partner, participant or facilitator.” The proposed imagery acquisition will be led by the County. Regional partners will help determine imagery specifications, and the cost will be shared by all parties.

**Information Technology Reorganization** – As part of the IT reorganization consolidating IT-related resources to the Information Technology (IT) Services fund with oversight and management by the Chief Information Officer, KCGIS will be moving from the Department of Natural Resources (DNRP) to KCIT, and aligning with KCIT’s administration and services.

**Equity and Social Justice** -GIS provides mapping resources to many county agencies which facilitates the use of an Equity and Social Justice (ESJ) lens when the county is making business, policy and budget decisions. This mapping tool provides unique data that is effective in applying ESJ objectives to our decision making.

**2012 Proposed Budget for  
Geographic Information Systems 5481/3180M**

Code/ Item#	Description	Expenditures	FTEs *	TLTs
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	4,572,242	27.00	1.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	53,356	0.00	0.00
<b>Direct Service Changes</b>				
DS01	Eliminate TLT GIS Specialist Entry Position	(65,317)	0.00	0.00
<b>Revenue Backed Changes</b>				
RB01	Matrixed GIS Staff Services for DDES	137,753	1.00	0.00
RB02	Implement ESRI GIS Software Enterprise License Agreement	171,144	0.00	0.00
RB03	Regional GIS Aerial Imagery Acquisition	470,000	0.00	0.00
		<b>778,897</b>	<b>1.00</b>	<b>0.00</b>
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(17,808)	0.00	0.00
CR05	General Fund Overhead Adjustment	5,459	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	76,204	0.00	0.00
CR08	Technology Services Infrastructure Charge	9,571	0.00	0.00
CR10	KCIT Operations Charge/Rebate	2,543	0.00	0.00
CR11	Telecommunications Services	(1,341)	0.00	0.00
CR12	Telecommunications Overhead	(795)	0.00	0.00
CR13	Motor Pool Rate Adjustment	627	0.00	0.00
CR22	Long Term Leases	(3,489)	0.00	0.00
CR25	Financial Service Charges	(6,253)	0.00	0.00
CR26	Retirement Rate Adjustment	6,329	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(1,720)	0.00	0.00
CR36	Property Services Lease Administration Fee	(48)	0.00	0.00
CR37	Facilities Management Strategic Initiative	100	0.00	0.00
CR38	Major Maintenance Repair Fund	27	0.00	0.00
CR46	KCIT Technology Projects	7,451	0.00	0.00
CR48	Business Resource Center	10,033	0.00	0.00
		<b>86,890</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA01	Equipment Replacement and Administrative Overhead	(16,093)	0.00	0.00
TA39	COLA Adjustment	(5,350)	0.00	0.00
TA40	Merit Adjustment	428	0.00	0.00
TA50	Revenue Adjustment (\$505,081 Revenue)	0	0.00	0.00
		<b>(21,015)</b>	<b>0.00</b>	<b>0.00</b>
<b>2012 Proposed Budget</b>		<b>5,405,053</b>	<b>28.00</b>	<b>1.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

### KCIT Geographic Information Systems (GIS)

#### *PROGRAM HIGHLIGHTS*

The 2012 Proposed Budget for the King County GIS Center is \$5,405,053 and includes funding for 28.00 FTEs and 1 TLT. KCGIS proposes standard staffing adjustments to align with the changing business needs of the GIS Center and its client agencies. In addition, the 2012 budget accommodates investments in long-term efficiencies. For instance, the ESRI GIS Software Enterprise License Agreement will yield higher GIS software capacity across the county with a more efficient, countywide three-year contract, and Aerial Imagery Acquisition, which will share the cost of imagery acquisition with other jurisdictions.

#### Adjustments to the 2011 Adopted Budget

Adjustments to the 2011 Adopted Budget were made to incorporate inflation in labor for \$53,356 resulting in a net increase from the 2011 Adopted Budget. Revenues were also adjusted \$113,946 to align with the 2012 baseline GIS rate model.

#### Direct Service Changes

**Eliminate TLT GIS Specialist Entry Position - (\$65,317).** This proposal eliminates a TLT position currently supporting the Wastewater Treatment Division (WTD). GIS intends to fulfill the same service needs to WTD with existing GIS staff. The TLT authority has been left intact to accommodate a planned end date of April 2012.

#### Revenue-Backed Changes

**Matrixed GIS Staff Services for DDES - \$137,753 / 1.00 FTE.** This proposal adds 1 FTE to support the Department of Development and Environmental Services (DDES), and aligns with a move from DDES to GIS in a 2011 supplemental request. The move of this position to GIS enables DDES to draw on the entire pool of expertise from GIS rather than one GIS specialist formerly in DDES. Corresponding revenue collection has been included in the GIS rate to DDES and is reflected in the overall revenue adjustment.

**Implement ESRI GIS Software Enterprise License Agreement - \$171,144.** This proposal aligns with a 2011 supplemental request for KCGIS to negotiate a three-year licensing contract for ESRI GIS software. The Enterprise Licensing Agreement (ELA) will allow the county to increase its licensing counts during the term of the ELA at no additional cost to fulfill countywide GIS demands, avoiding potential added maintenance fees. Corresponding revenue collection has been included in the GIS rate to client agencies, and is reflected in the overall revenue adjustment.

**Regional GIS Aerial Imagery Acquisition - \$470,000.** This proposal is to form an alliance with cities and public entities in the region to acquire aerial imagery. The County would manage the acquisition program and operate as a pass-through for vendor payments by members of the alliance, while the alliance would help formulate imagery specifications and pre-pay the County in cost-sharing. The County would pay no more than half the cost. This action would enable acquisition of higher-resolution imagery than if the

## **HOW WE DELIVER**

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County were to acquire on its own, and is an example of the regional leadership role of King County. Major imagery acquisitions are on a two year cycle and 2012 is a peak year, hence the expenditure exceeds revenue in the first year, but the reverse is true in the second year. In 2013 there will be no major acquisition and revenues will exceed expenditures to rebuild the imagery reserve.

### **Central Rate Changes**

**Central Rate Adjustments – \$86,890.** This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in an increase in charges. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

### **Technical Adjustments**

**Equipment Replacement and Administrative Overhead - (\$16,093).** This technical adjustment aligns budgeted equipment replacement per the agency's schedule in 2012, and adjusts for administrative overhead cost changes per director's office allocation.

**COLA – (\$5,350).** This amount reflects the change from the preliminary Office of Economic and Financial Analysis forecast for Cost of Living Adjustment (COLA), which was 1.77 percent, to the final 2012 COLA rate of 1.63 percent.

**Merit Adjustment – \$428.** Merit was calculated based on 2.4 percent of all salaries for 2012.

**Revenue Adjustment - \$505,081.** This item aligns the GIS fund's projected revenues with the 2012 GIS rate model billed to agencies and anticipated revenues from clients outside the County.

**2012 Proposed Financial Plan**  
**Geographic Information Systems (GIS) Fund/Geographic Information Systems 5481/3180M**

	2010 Actual <sup>1</sup>	2011 Adopted	2011 Estimated <sup>2</sup>	2012 Proposed	2013 Projected <sup>3</sup>	2014 Projected <sup>3</sup>
<b>Beginning Fund Balance</b>	1,282,488	1,396,415	1,177,275	1,258,385	1,444,707	1,487,407
<b>Revenues</b>						
* Central Rates Charged to Other Funds & Agencies	3,851,865	4,324,053	4,296,053	4,622,946	4,717,609	5,081,785
* Central Rates Charged for GIS Equipment Reserve						
* Rates to External Agencies for TRE Reserve	12,180	12,800	7,040	8,800	8,800	8,800
* Grants	37,063	56,250	151,250			
* Central Rates & External Revenue for Imagery Reserve	246,464	200,000	224,415	550,000	200,000	550,000
* Central Rates for 2011 ESRI ELA Start Up Costs <sup>4</sup>				30,384	30,384	30,384
<b>Total Revenues</b>	<b>4,147,572</b>	<b>4,593,103</b>	<b>4,678,758</b>	<b>5,212,130</b>	<b>4,956,793</b>	<b>5,670,969</b>
<b>Expenditures</b>						
* GIS Center Operating Costs & Overhead	(3,999,692)	(4,347,167)	(4,445,573)	(4,716,803)	(4,846,987)	(4,970,585)
* Equipment Replacement from Fund Reserve		0		(18,250)	(12,922)	0
* Training Room Equip. replacement from Fund Reserve		(25,075)	(25,075)	0	(1,500)	0
* Imagery Replacement from Fund Reserve <sup>5</sup>	(253,093)	(200,000)	(127,000)	(670,000)	(65,000)	(670,000)
<b>Total Expenditures</b>	<b>(4,252,785)</b>	<b>(4,572,242)</b>	<b>(4,597,648)</b>	<b>(5,405,053)</b>	<b>(4,926,409)</b>	<b>(5,640,585)</b>
<b>Estimated Underexpenditures<sup>6</sup></b>		11,431		13,513	12,316	14,101
<b>Other Fund Transactions</b>						
*Allocation from Data Center Move Reserve <sup>7</sup>		6,000				
*Allocation for Training Fund from TRE Reserve <sup>8</sup>		10,000				
*Allocation from Imagery Fund Reserve <sup>5</sup>						
<b>Total Other Fund Transactions</b>	0	16,000	0	0	0	0
<b>Ending Fund Balance</b>	<b>1,177,275</b>	<b>1,444,707</b>	<b>1,258,385</b>	<b>1,078,975</b>	<b>1,487,407</b>	<b>1,531,892</b>
<b>Less: Reserves &amp; Designations</b>						
* GIS Equipment Reserve <sup>9</sup>	(71,845)	(90,074)	(83,220)	(64,970)	(53,548)	(60,857)
* Training Room Equipment Reserve <sup>10</sup>	(46,014)	(23,621)	(22,464)	(25,264)	(26,564)	(29,364)
* Prepaid Client Services <sup>11</sup>	(114,399)	(64,143)	(80,066)	(80,066)	(80,066)	(80,066)
* Imagery Fund Reserve <sup>5</sup>	(230,270)	(150,520)	(327,118)	(207,118)	(342,118)	(222,118)
* Data Center Move Reserve <sup>7</sup>	(47,000)	(41,000)	(41,000)	(35,000)	(29,000)	(23,000)
* Rate Stabilization Reserve <sup>12</sup>	(250,000)	(176,424)	(200,000)	(230,384)	(260,768)	(291,152)
<b>Total Reserves &amp; Designations</b>	<b>(759,528)</b>	<b>(545,782)</b>	<b>(753,868)</b>	<b>(642,802)</b>	<b>(792,064)</b>	<b>(706,557)</b>
<b>Ending Undesignated Fund Balance</b>	<b>417,747</b>	<b>887,494</b>	<b>504,517</b>	<b>422,660</b>	<b>683,027</b>	<b>811,234</b>
<b>Target Fund Balance<sup>13</sup></b>	<b>425,279</b>	<b>457,224</b>	<b>459,765</b>	<b>540,505</b>	<b>492,641</b>	<b>564,058</b>

**Financial Plan Notes:**

<sup>1</sup> 2010 Actual based on CAFR.

<sup>2</sup> 2011 Estimated based on First and 2nd Quarter Omnibus, 3rd Quarter Omnibus preliminary assumptions and historical trends.

<sup>3</sup> 2013-2014 Projected based on 2.67% and 2.55% annual growth in operating costs with associated revenue growth, respectively, and annual ABT debt service of \$25,427.

<sup>4</sup> Central Rates for 2011 ESRI ELA Start up Costs recovers agency share of 2011 ESRI Enterprise Licensing Agreement (ELA) startup costs paid from undesignated fund balance.

<sup>5</sup> Imagery fund reserve fluctuates based on best imagery acquisition commercial terms and biennial major acquisition cycle.

<sup>6</sup> Underexpenditure target based on 0.25% of Total Expenditures in 2011-2014.

<sup>7</sup> Utilization of Data Center Move reserve based on \$3000 in 2010 & \$6,000 subsequent years

<sup>8</sup> Training Room Equipment (TRE) Reserve provides GIS training credits to county agencies from external TR revenue.

<sup>9</sup> Equipment Reserve established to fund replacement of core GIS data servers to ensure effective on-going operation. Target reserve is

<sup>10</sup> KSC training room rental revenue is held for DOT & DNR as a TRE replacement reserve & training credits fund.

<sup>11</sup> Prepaid Client Services: represents balance of prepaid client services revenue received, minus work completed on account. Training credit fund will be held and disbursed from this reserve.

<sup>12</sup> Rate stabilization reserve target is 10% of client services & matrix labor budgets. In 2011 \$91,152 will be used to initiate the 3-year ESRI ELA, to be repaid from O&M rates 2012-2014.

<sup>13</sup> KCGIS Center target Fund Balance range is 10% minimum, 15% maximum of budgeted expenditures (minimum shown here).

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## Transportation

## ***FLEET ADMINISTRATION DIVISION***

***Mission:***

**Fleet Administration**

Committed to providing high quality customer service, environmentally sound and cost effective vehicles and equipment, materials, supplies and asset management services.

### ***OVERVIEW***

The Fleet Administration Division (Fleet) is one of five divisions within the King County Department of Transportation (DOT). Additional detail on the other four DOT divisions can be found in the Environmental Sustainability Goal and the Economic Growth and Built Environment Goal.

Fleet manages three equipment rental and revolving (ER&R) funds in order to provide Fleet support services to most county agencies. In accordance with this directive, the division manages the acquisition, maintenance, replacement and disposal of more than 2,600 vehicles and pieces of equipment. The division also purchases and warehouses a large and diverse inventory of construction materials and supplies, traffic signals, safety equipment and hand tools. Further, the division accounts for the \$2 billion capitalized assets countywide and the

disposal of all surplus property. Fleet also administers the county take-home vehicle authorization program and supports departments in right-sizing their fleets. Fleet charges customer agencies based on a full-cost recovery model. The rates charged to agencies are based primarily on three factors: vehicle use, vehicle maintenance, and vehicle replacement. Fleet uses an industry standard model to determine the economically efficient time to replace a vehicle. This vehicle replacement model considers variables such as annual costs, resale or salvage value, and purchase price.

### **Division Organization and Budget**

The Fleet Administration Division budget sections are contained in three equipment rental and revolving (ER&R) funds as described below. Any changes to the biennial budget necessitated by unexpected costs or revenues will be accomplished through periodic supplementals or the mid-biennial review in 2012.

#### **Public Works Equipment Rental and Revolving**

This fund is responsible for vehicles and equipment purchased by Road Services Division and Water and Land Resources Division.

#### **Motor Pool Equipment Rental and Revolving**

This fund is responsible for all Motor Pool dispatch vehicles and for vehicles assigned to various county agencies, primarily General Fund agencies.

#### **Wastewater Equipment Rental and Revolving**

This fund is primarily responsible for vehicles and equipment purchased by Department of Natural Resources and Parks Wastewater Treatment and Water and Land Resources Divisions.



### **Executive Priorities Considered in 2012 Business Planning and Budget Development**

The Executive's 2012 priorities to advance the KCSP and inform the 2012 Proposed Budget spotlighted consideration of Equity and Social Justice; attainment of a three percent efficiency target while maintaining value and service levels; and KCSP alignment of agency goals, objectives, and services.

- **Equity and Social Justice** – Fleet's efforts to reduce harmful exhaust emissions by "greening" its fleet supports the County's Equity and Social Justice Initiative in its effort to provide equal access to safe, livable communities for the poor and people of color. The Metropolitan King County Council passed Motion No. 10477 on June 15, 1998, establishing policies to guide the distribution of surplus property to nonprofit organizations serving King County residents, which Fleet administers and is open every Thursday to these nonprofit groups.
- **3 Percent Efficiency Goal** – While Fleet does not have any three percent efficiency change items in its 2012 Proposed Budget beyond the flex benefit and retirement reductions, the agency has met its goal through a series of actions to avoid additional and inflationary costs to itself and other agencies. The total of cost avoidance savings of nearly four percent is a combination of cost comparison measures to assure Fleet finds the lowest prices from its various suppliers, an agreement with vendors to secure early payment discounts, implementation of a mobile maintenance unit to service other agencies at satellite County facilities, and warranty work done in-house rather than contracted out to third party mechanics.
- **King County Strategic Plan Alignment** – Fleet embraces the King County "how we deliver" goals in all areas of service delivery, namely Service Excellence, Financial Stewardship, and Quality Workforce. Specifically, as an internal service fund, Fleet works to provide the best possible customer service to its county customers at competitive prices. Fleet's strategies in support of this include: conducting regular, ongoing customer service surveys; implementing effective preventative and regular maintenance programs; ensure bulk purchases where feasible to reduce unit cost of products; and performance of in-house manufacturer warranty work. Fleet is also implementing several strategies in support of the Environmental Sustainability goal including the purchase of hybrid, renewable or alternative fuel vehicles when available and feasible; development of policies and procedures to ensure fuel conservation; and training for county drivers on fuel saving practices and behaviors.

### ***PRODUCT TEST CASE: FLEET ADMINISTRATION DIVISION***

In preparing the 2012 Proposed Budget, King County took the first step toward product-based budgeting, which would highlight the specific services or products provided by an agency rather than focus on incremental changes to the base budget. Six County agencies were selected to develop services and programs into product-based budgets. Fleet Administration Division is one of the test cases in 2012. The following is a description of Fleet's products.

#### ***INTRODUCTION***

The Fleet Administration Division (Fleet) manages the acquisition, maintenance, replacement, and disposal of more than 2,600 fleet vehicles and other pieces of equipment. These support the County's services associated with the general fund, public safety, roads, parks, wastewater, and water and land resources.

The division purchases and warehouses a large and diverse inventory of construction materials and supplies, traffic signs, safety equipment, and hand tools. It also provides reimbursable stores, materials, and supplies and vehicle maintenance services to more than 220 local cities and jurisdictions.

Fleet Administration accounts for the County's \$1.7 billion in capitalized assets and disposes of all surplus property. It administers the County's take-home vehicle authorization program and the annual vehicle utilization review process. The division is committed to the reduction of greenhouse gas emissions through clean vehicle purchases and best management practices.

#### **Test Case Products**

In furtherance of the mission above Fleet provides the following products:

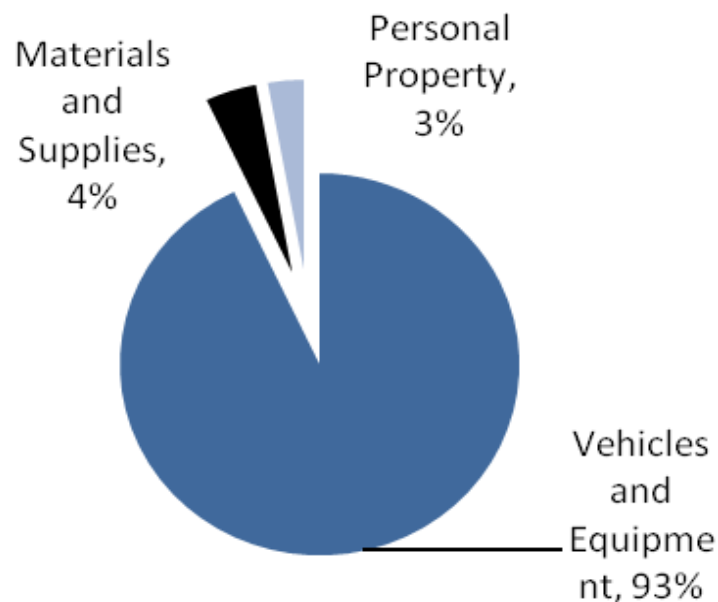
- **Vehicles and Equipment** – Fleet manages the acquisition, maintenance, and replacement vehicles and equipment used by most King County departments, Sound Transit, Light Rail and local jurisdictions; i.e. Cities, and Water Departments. This includes rolling stock and miscellaneous equipment.
- **Materials and Supplies** – Fleet purchases and warehouses a large and diverse inventory of materials and supplies. King County Departments, Municipalities and Government sub-divisions (i.e. Water & Sewer Districts, Fire Districts) purchase road construction and building materials, hardware, safety supplies, traffic components and supplies and sign manufacturing materials.
- **Personal Property** – Fleet's Personal Property Section accounts for the county-wide \$1.7 billion capitalized assets and files the annual Inventory Report as a public document. This Section also disposes of all surplus personal property for all King County Departments including vehicles and equipment. Disposal methods include auctions, spot bids, sealed bids, non-profit donation, re-use and recycling. Customers include King County Departments, the public and approved non-profit organizations.

*The product test case work represents Fleet's initial work with innovative and challenging concepts around making government more efficient, more effective, and more accountable. The information presented is representative and expected to evolve over time. It is not considered or intended to be a final answer to more efficient and effective government work, rather, it is an initial starting point from which to learn, explore, and grow.*

### Cost-Per-Product Discussion

While the vehicles and equipment were the largest part of Fleet's focus in this test case, there were interesting discussions that developed around the materials and supplies and personal property product families.

Fleet Stores issues a variety of items as noted in the table below. The intent is to segregate out the automotive items and capture those costs within the vehicles and equipment product family. The cost of the item issued, whether it be to Fleet's vehicles and equipment or any other customer, the expense is captured in the customer's budget, not Fleet Stores. The budget for this product is predominantly staff salaries and benefits.



The budget for Personal Property is similar and is nearly all staff salaries and benefits. Timeliness measures for vehicles and equipment were easier to identify than the other two product families. Tracking of labor time for the non-automotive lines of business is a key component of developing timeliness measures and is also a road block. Fleet does not have an elaborate time tracking system in place which would be needed for these measures.

## HOW WE DELIVER

The table below represents Fleet's current product line resulting from this test case for the Proposed 2012 Budget. An additional product was identified for consideration; Policy Reporting and Monitoring.

Product	Quantity	Quality Measure	Timeliness Measure
<b>Vehicles and equipment</b>	<u>Active fleet:</u> 283 - General purpose autos 817 - Pickup and SUVs' 399 - Patrol cars and motorcycles 154 - Heavy duty vehicles 600 - Equipment	→ Percent of repeat repairs	→ Vehicle and equipment availability rate to customers  → Average hours to complete preventative maintenance (oil, filter and lube) compared to industry standard
<b>Materials and supplies</b>	<u>Items issued:</u> – Automotive 97,262 – Tires/Wheels 1,655 – Signs 165,883 – Construction supplies 34,259 – General supplies 29,791  Invoices/transactions 25,476	→ Inventory turn-over rate compared to industry standard	→ Under development
<b>Personal Property</b>	1 – Fixed Asset Inventory report  34 – Auction/negotiated bids <ul style="list-style-type: none"> <li>• 1,452 Individual lots</li> <li>• 2,653 Assets re-purposed</li> </ul>	→ Achieve a lower fixed asset variance than the 5% industry standard (this variance is an application of a standard assessing risk and accountability of county assets)	→ Under development

### **Fund explanation**

Fleet's total budget and products are included in three internal service equipment rental and revolving funds (ER&R funds).

### **Change Drivers**

**Greening the fleet:** At the state level, RCW 43.19.648 mandates that 100 percent of fuel used to operate publicly owned vehicles be electricity or biofuels by June 2015, to the extent deemed practicable. Fleet Administration has been working with the Executive's Office and PSB staff on ways to finance the upgrade costs of purchasing alternative-fueled and hybrid vehicles. As agencies are looking for opportunities to cut their budgets and identify three percent savings, it is becoming increasingly difficult for them to bear this added cost. In addition, Fleet is collaborating on innovative ways of quantifying fuel savings, including changing driver behaviors and allowing agencies to use the savings associated with their drivers to fund their own programs or contribute to their three percent efficiencies.

**Crown Victoria Patrol Car Replacement:** After nearly three decades, the Ford Motor Company will no longer produce Crown Victoria patrol cars. There are multiple police vehicle options being offered by Ford, Chevrolet, and Dodge. Fleet Administration's rental rate methodology assumes a like-for-like replacement. This is a unique circumstance of a particular vehicle model ceasing production, and all new replacement options are potentially more costly. The Sheriff's Office is in the process of determining which vehicle will best meet its needs and getting formal approval for a new standardized pursuit vehicle. A reserve is included in the General Fund to cover these higher costs, if needed.

**Tolling on SR-520 bridge:** Fleet is working with Good to Go! and WSDOT staff members to determine the most efficient and effective procedures for paying and tracking toll expenditures on the SR-520 bridge. Fleet will be responsible for the administration of tolling accounts and cash management, monitoring cash transactions and monthly usage, but they are considering tolls a "business expense," much like parking costs. Budget appropriation and actual expenditures will be in the agencies' funds.

**ABT Update:** Fleet Administration continues to actively participate with other Department of Transportation divisions in the preparation and implementation of the County ABT Program. To meet the requirements of the Payroll, Time, and Labor Project, Fleet Administration plans to utilize the PeopleSoft software using the exception time entry system for administrative staff, and inputting extracted time data of technicians from FASTER, Fleet Administration's work order system. This process will emulate what is currently being done in reporting Fleet Administration's staff time and leaves of absence.

Before the Oracle EBS implementation, Fleet Administration will have to make a few changes in its business processes, particularly in procuring inventory and non-inventory road material items and automotive supplies, in project reporting, in internal billing, and in tracking the County's personal-property assets. Because roles and responsibilities have yet to be defined concretely, Fleet Administration is not yet able to determine how ABT changes will impact staff workloads. However, the division intends to meet any new responsibilities resulting from the ABT implementation with existing staff resources. With assistance from internal County IT staff members, the division is currently developing new data interface applications between FASTER and Oracle.

### **2012/2013 Proposed Biennial Budget**

The 2012 recovery rates for fleet usage are based on 2010 actual use. The agency has taken cost-saving measures in order to mitigate the effects of increased costs and the 2012/2013 Proposed Biennial Budget reflects these reduced costs and increased efficiencies. The implementation of the Unattended Dispatch System at the Goat Hill and King Street Center garages and Black River building, for example, provides around-the-clock access to county vehicles and decreases the costs of the dispatch vehicle system.

**2012/2013 Biennium Budget for**

**Wastewater Equipment Rental and Revolving 5441/0137**

<b>Code/ Item#</b>	<b>Description</b>	<b>Expenditures</b>	<b>FTEs *</b>	<b>TLTs</b>
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	9,385,121	0.00	0.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	(2,236,600)	0.00	0.00
SQ13	2013 Base Budget Adjustment	3,754,784	0.00	0.00
		<b>1,518,184</b>	<b>0.00</b>	<b>0.00</b>
<b>Revenue Backed Changes</b>				
RB01	Vehicle/ Equipment Replacement Below PSQ	(2,466,450)	0.00	0.00
<b>Central Rate Changes</b>				
CR05	General Fund Overhead Adjustment	605	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(178)	0.00	0.00
CR22	Long Term Leases	(18,112)	0.00	0.00
CR25	Financial Service Charges	4,453	0.00	0.00
CR36	Property Services Lease Administration Fee	(242)	0.00	0.00
CR38	Major Maintenance Repair Fund	4,383	0.00	0.00
CR48	Business Resource Center	5,310	0.00	0.00
		<b>(3,781)</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA01	Revenue Adjustment (\$366,075)	0	0.00	0.00
<b>2012/2013 Biennium Budget</b>		<b>8,433,074</b>	<b>0.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

## **Wastewater ER&R Fund**

### ***PROGRAM HIGHLIGHTS***

The total 2012/2013 Proposed Biennial Budget for the Wastewater ER&R Fund is \$8,433,074.

#### **Adjustments to Base Budget**

**2010/2011 Service Levels Adjusted for 2012/2013 Costs – (\$2,236,600) Expenditure / (\$2,725,266) Revenue.** Adjustments to the 2010/2011 Adopted Budget were made to incorporate inflation in labor and select other operating costs resulting in a net change of (\$2,236,600) in expenditures from the 2010/2011 Adopted Budget. The revenue adjustment was made to balance to the preliminary 2012/2013 revenue estimates.

**2013 Base Budget - \$3,754,784 Expenditure and \$3,254,157 Revenue.** This change item inflates the 2012 base budget to generate the 2013 base for the 2012/2013 biennial budget.

#### **Revenue Backed**

**Vehicle/Equipment Replacement Below PSQ – (\$2,466,450).** This request supports the replacement of vehicles and equipment that have reached the end of their useful life. Agency contributions to the Wastewater ER&R Fund are relatively consistent from year-to-year; however, the budget authority necessary to purchase vehicles may vary considerably on an annual basis. This cyclical variability is based on the number of vehicles that reach the end of their life cycle in any particular year. In partnership with the Wastewater Division, Fleet Division structured a replacement program to replace 27 heavy-duty tractor trailers over a four year period. This requested expenditure reduction reflects the ramping down of the budget authority necessary to support the replacement plan.

#### **Technical Adjustment**

**Revenue Adjustment – \$366,075 Revenue.** This is a technical adjustment aligning projected revenues for 2012.

**Central Rate Adjustments – (\$3,781).** This series of adjustments captures the net effect of changes in countywide charges from the 2010-11 Adopted Budget, and results in a (\$3,781) decrease in charges to Wastewater ER&R. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific charges are detailed in the central rate changes section of the agency's crosswalk.



**2012/2013 Proposed Financial Plan**  
**Wastewater Equipment Rental and Revolving Fund / 5441**

	2010 Actual <sup>1</sup>	2011 Adopted	2011 Estimated <sup>2</sup>	2012 Proposed	2013 Proposed	2014 Projected <sup>3</sup>	2015 Projected <sup>3</sup>
Beginning Fund Balance	7,725,932	3,893,925	9,175,167	3,781,775	2,276,585	1,775,957	2,717,523
<b>Revenues</b>							
* Investment Interest	77,590	72,402	72,402	16,629	29,367	55,402	88,023
* Sale of Equipment	73,163	276,501	276,501	276,543	201,585	88,336	140,803
* Other Miscellaneous Revenues	8,432	15,450	15,450	15,450	15,503	15,969	16,448
* Vehicle Rental Revenues	2,256,332	2,442,672	2,728,074	2,864,478	3,007,702	3,158,087	3,315,991
<b>Total Revenues</b>	<b>2,415,516</b>	<b>2,807,025</b>	<b>3,092,427</b>	<b>3,173,100</b>	<b>3,254,157</b>	<b>3,317,794</b>	<b>3,561,265</b>
<b>Total Biennial Revenues</b>				<b>6,427,257</b>		<b>6,879,058</b>	
<b>Expenditures</b>							
* Operating and Maintenance	(734,507)	(1,334,356)	(1,334,356)	(1,221,504)	(1,234,974)	(1,272,023)	(1,310,184)
* Capital Equipment Replacement <sup>4</sup>	(233,949)	(3,426,234)	(5,923,236)	(3,456,786)	(2,519,810)	(1,104,205)	(1,760,034)
* 2010 - 2011 Carryover Encumbrances		-	(3,228,227)				
<b>Total Expenditures</b>	<b>(968,457)</b>	<b>(4,760,590)</b>	<b>(10,485,819)</b>	<b>(4,678,290)</b>	<b>(3,754,784)</b>	<b>(2,376,228)</b>	<b>(3,070,218)</b>
<b>Total Biennial Expenditures</b>				<b>(8,433,074)</b>		<b>(5,446,446)</b>	
Estimated Underexpenditures		-	2,000,000	-	-	-	-
Other Fund Transactions							
* Other Fund Transactions ( per Finance)	2,175	-	-				
Total Other Fund Transactions	2,175	-	-				
<b>Total Biennial Other Fund Transactions</b>				<b>-</b>		<b>-</b>	
Ending Fund Balance	9,175,167	1,940,360	3,781,775	2,276,585	1,775,957	2,717,523	3,208,570
<b>Reserves &amp; Designations</b>							
* GAAP Adjustment	(25,800)	-					
* Allowance for Inventory	(2,482)	(1,922)	(1,922)	(1,980)	(2,039)	(2,100)	(2,163)
* Contingency for Capital Improvement <sup>5</sup>	(81,758)	(84,211)	(84,211)	(95,193)	(97,625)	(99,534)	(106,838)
* 2010 - 2011 Carryover Encumbrances	(3,228,227)						
* ABT Debt Service <sup>6</sup>					(9,171)	(9,171)	(9,171)
Total Reserves & Designations	(3,338,267)	(86,133)	(86,133)	(97,173)	(108,835)	(110,805)	(118,172)
Ending Undesignated Fund Balance	5,918,658	1,938,438	3,779,853	2,274,605	1,764,747	2,706,251	3,197,235
<b>Target Fund Balance<sup>7</sup></b>	<b>1,973,184</b>	<b>2,012,648</b>	<b>2,012,648</b>	<b>2,180,366</b>	<b>2,223,973</b>	<b>2,268,452</b>	<b>2,313,822</b>
<b>Target Fund Balance<sup>7</sup></b>	<b>3,946,369</b>	<b>4,025,296</b>	<b>4,025,296</b>	<b>4,360,731</b>	<b>4,447,946</b>	<b>4,536,905</b>	<b>4,627,643</b>

**Financial Plan Notes:**

<sup>1</sup> The 2010 Actuals are from the 2010 CAFR or 14th Month ARMS/IBIS.

<sup>2</sup> The 2011 Estimated is based on annualized revenue and expenditure reports.

<sup>3</sup> The 2014 and 2015 Projected are based on

a) Assumes 0.55% and 1.46% annual percentage rate on investment earnings.

b) Assumes sale of equipment is 8% of annual capital expenditures.

c) Assumes 3% annual increase in miscellaneous revenues as well as in operating and maintenance costs.

d) Capital expenditures are based on established replacement standards for each type of vehicle.

e) Contingency for capital improvement is estimated at 3% of annual revenues.

<sup>4</sup> The Capital Equipment Replacement (CER) line reflects a large increase through 2011 due to the replacement of the Wastewater Biosolids program's 27 transport tractor/trailer combinations. The replacements costs for these units is roughly \$250,000 each and will peak in 2011. After 2011 the CER will return to its more typical cycle of replacement costs.

<sup>5</sup> Contingency for Capital Improvements is not included in the Ending Fund Balance

<sup>6</sup> This charge represents the estimated debt service for the Accountable Business Transformation (ABT) Program which begins in 2013 and runs for

<sup>7</sup> Target Fund Balance, as recommended by the County Auditor, is equal to a range of 10% to 20% of the Projected Fleet Replacement Cost (PFRC).

**2012/2013 Biennium Budget for**

**Motor Pool Equipment Rental and Revolving 5580/0780**

<b>Code/ Item#</b>	<b>Description</b>	<b>Expenditures</b>	<b>FTEs *</b>	<b>TLTs</b>
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	25,298,387	19.00	0.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	(12,751,008)	0.00	0.00
SQ13	2013 Base Budget Adjustment	12,764,482	0.00	0.00
		<b>13,474</b>	<b>0.00</b>	<b>0.00</b>
<b>Technology Cost Savings</b>				
CS02	IT Consolidation - Motor Pool	99,715	0.00	0.00
<b>Revenue Backed Changes</b>				
RB01	520 Tolling Fees for Dispatched Vehicles	72,072	0.00	0.00
RB02	Vehicle/ Equipment Replacement Below PSQ	(208,139)	0.00	0.00
		<b>(136,067)</b>	<b>0.00</b>	<b>0.00</b>
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(12,084)	0.00	0.00
CR05	General Fund Overhead Adjustment	3,422	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(1,021)	0.00	0.00
CR08	Technology Services Infrastructure Charge	4,726	0.00	0.00
CR09	Geographic Information Systems Charge	3	0.00	0.00
CR10	KCIT Operations Charge/Rebate	1,492	0.00	0.00
CR11	Telecommunications Services	(1,686)	0.00	0.00
CR12	Telecommunications Overhead	(980)	0.00	0.00
CR14	Facilities Management Space Charge	45,409	0.00	0.00
CR16	Radio Access	9	0.00	0.00
CR18	Radio Direct Charges	(121)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	3,764	0.00	0.00
CR21	Debt Service Adjustment	(39,453)	0.00	0.00
CR22	Long Term Leases	1,985	0.00	0.00
CR25	Financial Service Charges	(984)	0.00	0.00
CR26	Retirement Rate Adjustment	2,870	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(2,216)	0.00	0.00
CR36	Property Services Lease Administration Fee	(5)	0.00	0.00
CR37	Facilities Management Strategic Initiative	20	0.00	0.00
CR38	Major Maintenance Repair Fund	61,222	0.00	0.00
CR46	KCIT Technology Projects	4,882	0.00	0.00
CR48	Business Resource Center	37,051	0.00	0.00
		<b>108,305</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA01	Customer Refund for Reduction to Fleet	37,536	0.00	0.00
TA02	Revenue Adjustment ((\$270,536))	0	0.00	0.00
TA39	COLA Adjustment	(3,909)	0.00	0.00
		<b>33,627</b>	<b>0.00</b>	<b>0.00</b>
<b>2012/2013 Biennium Budget</b>		<b>25,417,441</b>	<b>19.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

### Motor Pool ER&R Fund

#### ***PROGRAM HIGHLIGHTS***

The total 2012/2013 Proposed Biennial Budget for the Motor Pool ER&R Fund is \$25,417,441 with 19.00 FTEs.

#### **Adjustments to Base Budget**

**2010/2011 Service Levels Adjusted for 2012/2013 Costs – (\$12,751,008) Expenditure / (\$12,300,177) Revenue.** Adjustments to the 2010/2011 Adopted Budget were made to incorporate inflation in labor and select other operating costs, implement various other salary changes and remove items funded for 2010/2011 only. All of these adjustments result in a net change of (\$12,751,008) in expenditures from the 2010/2011 Adopted Budget. The revenue adjustment was made to balance to the preliminary 2012/2013 revenue estimates.

**2013 Base Budget - \$12,764,482 Expenditure and \$12,995,336 Revenue.** This change item inflates the 2012 base budget to generate the 2013 base for the 2012/2013 biennial budget.

#### **Revenue Backed**

**520 Tolling Fees For Dispatch Vehicles – \$72,072.** Given the anticipated start of tolling of travel over the 520 Bridge, this request supports the estimated increases to operating costs. These costs will be included in the hourly rental fees accordingly.

**Vehicle/Equipment Replacement Below PSQ – (\$208,139).** This request supports the replacement of vehicles and equipment that have reached the end of their useful life. Agency contributions to the Motor Pool ER&R Fund are relatively consistent from year-to-year; however, the budget authority necessary to purchase vehicles may vary considerably on an annual basis. This cyclical variability is based on the number of vehicles that reach the end of their life cycle in any particular year.

#### **Technology Cost Savings**

**Fleet IT Centralization to KCIT – \$99,715.** As a result of the transfer of the Department's information technology (IT) services into the Information Technology Services Fund (KCIT), this proposal reflects Motor Pool's adjusted share of the IT services.

#### **Technical Adjustment**

**Customer Refund for Reduction in Fleet – \$37,536.** County-wide policy calls for the Vehicle Utilization Committee (VUC) to review the level of use of assigned vehicles and identify those vehicles that are underutilized as compared to county standards. Through the efforts of the VUC, underutilized vehicles will be surplus. This change requests added expenditure authority in order to refund replacement costs for those vehicles that are to be turned in.

## HOW WE DELIVER

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**Revenue Adjustment – (\$270,536) Revenue.** This is a technical adjustment aligning projected revenues for 2012.

**COLA – (\$3,909).** The Cost of Living Adjustment (COLA) reflects the change from the preliminary Office of Economic and Financial Analysis forecast of 1.77 percent to the final 2012 COLA rate of 1.63 percent.

**Central Rate Adjustments -\$108,305.** This series of adjustments captures the net effect of changes in countywide charges from the 2010-11 Adopted Budget, and results in a \$108,305 increase in charges to Motor Pool. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific charges are detailed in the central rate changes section of the agency's crosswalk.

**2012/2013 Proposed Financial Plan  
Motor Pool Equipment Rental Fund / 5580**

	2010 Actual <sup>1</sup>	2011 Adopted	2011 Estimated <sup>2</sup>	2012 Proposed	2013 Proposed	2014 Projected <sup>3</sup>	2015 Projected <sup>3</sup>
Beginning Fund Balance	6,323,860	3,411,865	6,588,206	5,311,126	4,897,513	5,287,667	6,538,377
<b>Revenues</b>							
* Garage Services & Supplies	10,667	294,622	294,622	294,621	294,621	312,564	321,941
* Investment Interest	56,101	49,672	49,672	28,253	75,815	136,316	154,375
* Sale of Equipment	209,172	304,633	304,633	298,822	276,047	350,351	397,368
* Other Miscellaneous Revenues	69,852	143,222	143,222	143,221	143,221	151,943	156,501
* Fund Balance Transfer	138,104	195,687	195,687	195,687	195,687	207,604	-
* Vehicle Rental Revenues	10,632,898	11,681,348	10,893,374	11,438,043	12,009,946	12,610,442	13,240,964
<b>Total Revenues</b>	<b>11,116,793</b>	<b>12,669,183</b>	<b>11,881,209</b>	<b>12,398,646</b>	<b>12,995,336</b>	<b>13,769,219</b>	<b>14,271,149</b>
<b>Total Biennial Revenues</b>				<b>25,393,982</b>		<b>28,040,368</b>	
<b>Expenditures</b>							
* Operating and Maintenance	(7,131,627)	(9,141,952)	(9,138,067)	(8,961,869)	(9,077,011)	(9,067,922)	(9,299,412)
* Capital Equipment Replacement <sup>4</sup>	(3,696,537)	(3,696,998)	(3,696,998)	(3,735,270)	(3,450,587)	(3,450,587)	(4,379,386)
* Debt Service-ABT	-	(39,453)	-	-	-	-	(40,548)
* One Time Fund Balance Rebate	-	(77,584)	(77,584)	(115,120)	(77,584)		
* 2010-2011 Carryover Encumbrances			(202,301)				
<b>Total Expenditures</b>	<b>(10,828,163)</b>	<b>(12,955,987)</b>	<b>(13,114,950)</b>	<b>(12,812,259)</b>	<b>(12,605,182)</b>	<b>(12,518,509)</b>	<b>(13,719,346)</b>
<b>Total Biennial Expenditures</b>				<b>(25,417,441)</b>		<b>(26,237,855)</b>	
Estimated Underexpenditures		-	-	-	-	-	-
Other Fund Transactions							
	-	-	-				
CAFR Adjustments	(24,284)	-	-				
Total Other Fund Transactions	(24,284)	-	-				
<b>Total Biennial Other Fund Transactions</b>				<b>-</b>		<b>-</b>	
Ending Fund Balance	6,588,206	3,125,061	5,354,464	4,897,513	5,287,667	6,538,377	7,090,181
<b>Reserves &amp; Designations</b>							
* Allowance of Inventory	(92,441)	(100,516)	(100,516)	(103,531)	(106,637)	(109,837)	(113,132)
* GAAP Adjustment	(16,900)	-	-	-	-	-	-
* Contingency for Capital Improvement <sup>5</sup>	(369,005)	(380,075)	(380,075)	(371,959)	(390,430)	(413,077)	(428,134)
* 2010-2011 Carryover Encumbrances	(202,301)	-	-	-	-	-	-
* ABT Debt Service <sup>6</sup>					(22,146)	(22,146)	(22,146)
Total Reserves & Designations	(680,647)	(480,591)	(480,591)	(475,491)	(519,214)	(545,059)	(563,412)
Ending Undesignated Fund Balance	6,276,564	3,024,545	5,253,948	4,793,981	5,158,883	6,406,395	6,954,903
Target Fund Balance - 10% of PFRC <sup>7</sup>	3,055,497	3,147,162	3,147,162	3,241,577	3,338,824	3,438,989	3,542,159
Target Fund Balance - 20% of PFRC <sup>7</sup>	6,110,995	6,294,324	6,294,324	6,483,154	6,677,649	6,877,978	7,084,318

**Financial Plan Notes:**

<sup>1</sup> The 2010 Actuals are from the 2010 CAFR or 14th Month ARMS/IBIS.

<sup>2</sup> The 2011 Estimated is based on annualized revenue and expenditure reports.

<sup>3</sup> The 2012 and 2013 Projected are based on

a) Assumes 0.55% and 1.46% annual percentage rate on investment earnings, respectively.

b) Assumes sale of equipment is 8% of annual capital expenditures.

c) Assumes 3% annual increase in miscellaneous revenues as well as in operating and maintenance costs.

d) Capital expenditures are based on established replacement standards for each type of vehicle.

e) Allowance for inventory is equal to inventory value at the beginning of each year per CAFR and is estimated to increase by 3% annually.

f) Contingency for capital improvement is estimated at 3% of annual revenues.

<sup>4</sup> The Capital Equipment Replacement expenditure line is adjusted based upon Fleet's vehicle replacement program that identifies vehicles and equipment that will reach the end of their economic life during the requested budget period.

<sup>5</sup> This charge represents the estimated debt service for the Accountable Business Transformation (ABT) Program which begins in 2013 and runs for ten years.

<sup>6</sup> Contingency for Capital Improvements is not included in the Ending Fund Balance

<sup>7</sup> Target fund balance is based on recommendation by the County Auditor; equal to a range of 10% to 20% of the Projected Fleet Replacement Cost (PFRC).

**2012/2013 Biennium Budget for  
Equipment Rental and Revolving 5570/0750**

Code/ Item#	Description	Expenditures	FTEs *	TLTs
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	27,224,886	56.00	0.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	(13,486,632)	0.00	0.00
SQ13	2013 Base Budget Adjustment	14,357,167	0.00	0.00
		<b>870,535</b>	<b>0.00</b>	<b>0.00</b>
<b>Technology Cost Savings</b>				
CS02	IT Consolidation - Public Works ER&R	53,692	0.00	0.00
<b>Revenue Backed Changes</b>				
RB01	Vehicle/ Equipment Replacement Below PSQ	(1,684,170)	0.00	0.00
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(35,616)	0.00	0.00
CR05	General Fund Overhead Adjustment	10,166	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	6,265	0.00	0.00
CR08	Technology Services Infrastructure Charge	21,242	0.00	0.00
CR10	KCIT Operations Charge/Rebate	4,399	0.00	0.00
CR11	Telecommunications Services	(26)	0.00	0.00
CR12	Telecommunications Overhead	(75)	0.00	0.00
CR13	Motor Pool Rate Adjustment	23	0.00	0.00
CR14	Facilities Management Space Charge	13,717	0.00	0.00
CR16	Radio Access	114	0.00	0.00
CR18	Radio Direct Charges	227	0.00	0.00
CR22	Long Term Leases	1,066	0.00	0.00
CR25	Financial Service Charges	(2,716)	0.00	0.00
CR26	Retirement Rate Adjustment	9,601	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(5,471)	0.00	0.00
CR36	Property Services Lease Administration Fee	(40)	0.00	0.00
CR37	Facilities Management Strategic Initiative	61	0.00	0.00
CR38	Major Maintenance Repair Fund	15,838	0.00	0.00
CR46	KCIT Technology Projects	14,389	0.00	0.00
CR48	Business Resource Center	177,455	0.00	0.00
		<b>230,619</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA01	Customer Refund for Reduction to Public Works ER&R Vehicles	161,905	0.00	0.00
TA02	Grant Application Awards	(203,325)	0.00	0.00
TA03	Revenue Adjustment (\$259,484)	0	0.00	0.00
TA39	COLA Adjustment	(9,346)	0.00	0.00
		<b>(50,766)</b>	<b>0.00</b>	<b>0.00</b>
<b>2012/2013 Biennium Budget</b>		<b>26,644,796</b>	<b>56.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

## **Public Works ER&R Fund**

### ***PROGRAM HIGHLIGHTS***

The total 2012/2013 Proposed Biennial Budget for Public Works ER&R Fund \$26,644,796 with 56.00 FTEs.

#### **Adjustments to Base Budget**

**2010/2011 Service Levels Adjusted for 2012/2013 Costs – (\$13,486,632) Expenditure / (\$11,822,748) Revenue.** Adjustments to the 2010/2011 Adopted Budget were made to incorporate inflation in labor and select other operating costs, implement various other salary changes and remove items funded for 2010/2011 only. All of the adjustments result in a net change of (\$13,486,632) in expenditures from the 2010/2011 Adopted Budget. The revenue adjustment was made to balance to the preliminary 2012/2013 revenue estimates.

**2013 Base Budget - \$14,357,167 Expenditure and \$12,805,288 Revenue.** This change item inflates the 2012 base budget to generate the 2013 base for the 2012/2013 biennial budget.

#### **Revenue Backed**

**Vehicle/Equipment Replacement Below PSQ – (\$1,684,170).** This request supports the replacement of vehicles and equipment that have reached the end of their useful life. Agency contributions to the Public Works ER&R Fund are relatively consistent from year-to-year; however, the budget authority necessary to purchase vehicles may vary considerably on an annual basis. This cyclical variability is based on the number of vehicles that reach the end of their life cycle in any particular year.

#### **Technology Cost Savings**

**Fleet IT Centralization to KCIT – \$53,692.** As a result of the transfer of the Department's information technology (IT) services into the Information Technology Services Fund (KCIT), this proposal reflects Public Works ER&R's adjusted share of the IT services.

#### **Technical Adjustment**

**Customer Refund for Reduction in Fleet – \$161,905.** County-wide policy calls for the Vehicle Utilization Committee (VUC) to review the level of use of assigned vehicles and identify those vehicles that are underutilized as compared to county standards. Through the efforts of the VUC, underutilized vehicles will be turned in. This change requests added expenditure authority in order to refund replacement costs for those vehicles that are to be turned in.

**Grant Application Awards – (\$203,325).** This is a technical adjustment that reflects the reduction in needed expenditure authority for a Congestion Mitigation Air Quality (CMAQ) grant. This change item adjusts the agency's expenditure level to the amount of the CMAQ grant award available.

## HOW WE DELIVER

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**Revenue Adjustment – \$259,484 Revenue.** This is a technical adjustment aligning projected revenues for 2012.

**COLA – (\$9,346).** The Cost of Living Adjustment (COLA) reflects the change from the preliminary Office of Economic and Financial Analysis forecast of 1.77 percent to the final 2012 COLA rate of 1.63 percent.

**Central Rate Adjustments - \$230,619** This series of adjustments captures the net effect of changes in countywide charges from the 2010-11 Adopted Budget, and results in a \$230,619 increase in charges to Public Works ER&R. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific charges are detailed in the central rate changes section of the agency's crosswalk.



**2012/2013 Proposed Financial Plan  
Equipment Rental and Revolving Fund / 5570**

	2010 Actual <sup>1</sup>	2011 Adopted	2011 Estimated <sup>2</sup>	2012 Proposed	2013 Proposed	2014 Projected <sup>3</sup>	2015 Projected <sup>3</sup>
Beginning Fund Balance	5,782,751	3,824,481	5,178,138	5,411,470	4,186,042	4,301,545	4,214,435
<b>Revenues</b>							
* Sales of Stores & Materials	1,271,145	802,518	802,518	1,144,420	1,144,420	1,178,752	1,214,115
* Investment Interest	52,161	64,556	64,556	25,359	58,455	100,976	123,382
* Sale of Equipment	194,835	460,541	460,541	426,874	280,352	351,604	403,158
* Other Miscellaneous Revenues	402,794	481,298	481,298	501,418	501,419	526,490	552,815
* Vehicle Rental Revenues	8,083,643	9,207,615	9,207,615	9,196,385	9,855,409	10,472,093	11,158,874
* Vehicle Rental Revenues (Contingency)				199,205			
* Personal Property & Fixed Assets Revenues	586,361	1,006,402	1,006,402	1,046,958	1,057,521	1,089,247	1,121,924
* Environmental Grants	233,950	257,500	407,500	96,675	-		
* Impaired Investments	13,384	-	-	-	-		
<b>Total Revenues</b>	<b>10,838,274</b>	<b>12,280,430</b>	<b>12,430,430</b>	<b>12,637,295</b>	<b>12,897,576</b>	<b>13,719,162</b>	<b>14,574,268</b>
<b>Total Biennial Revenues</b>					<b>25,534,871</b>		<b>28,293,430</b>
<b>Expenditures</b>							
* Operating and Maintenance	(7,633,971)	(9,105,682)	(8,974,259)	(9,138,113)	(9,564,599)	(9,910,066)	(10,147,044)
* Capital Equipment Replacement	(3,292,612)	(3,788,860)	(3,788,860)	(3,557,286)	(2,336,264)	(2,930,031)	(3,359,649)
* Debt Service - ABT	-	-	-	-	-	(58,529)	(58,490)
* Personal Property & Fixed Assets	(774,941)	(885,366)	(885,366)	(908,744)	(881,210)	(907,646)	(934,876)
* 2010-2011 Carryover Encumbrances			(942,601)				
* Environmental Grants	-	(257,500)	(257,500)	(96,675)	-		
* Customer Refund for Reduction in Fleet	-	(6,327)	(6,327)	(161,905)	-		
<b>Total Expenditures</b>	<b>(11,701,524)</b>	<b>(14,043,735)</b>	<b>(14,854,913)</b>	<b>(13,862,723)</b>	<b>(12,782,073)</b>	<b>(13,806,272)</b>	<b>(14,500,059)</b>
<b>Total Biennial Expenditures</b>					<b>(26,644,796)</b>		<b>(28,306,331)</b>
Estimated Underexpenditures <sup>4</sup>		-	1,342,624	-	-	-	-
Other Fund Transactions							
* Other Financial Transactions (CAFR adj)	258,637		-				
* Equipment Replacement Adjustment		1,315,191	1,315,191				
Total Other Fund Transactions	258,637	1,315,191	1,315,191				
<b>Total Biennial Other Fund Transactions</b>					-		-
Ending Fund Balance	5,178,138	3,376,367	5,411,470	4,186,042	4,301,545	4,214,435	4,288,644
<b>Reserves &amp; Designations</b>							
* Allowance for Inventory	(1,061,485)	(1,101,559)	(1,101,559)	(1,107,067)	(1,118,137)	(1,129,319)	(1,140,612)
* GAAP Adjustment	(12,700)						
* Contingency for Capital Improvement <sup>5</sup>	(354,682)	(368,413)	(368,413)	(379,119)	(386,927)	(411,575)	(437,228)
* 2010-2011 Carryover Encumbrances	(942,601)						
* ABT Debt Service <sup>6</sup>					(42,062)	(42,062)	(42,062)
Total Reserves & Designations	(2,371,468)	(1,469,972)	(1,469,972)	(1,486,186)	(1,547,127)	(1,582,956)	(1,619,902)
Ending Undesignated Fund Balance	3,161,352	2,274,808	4,309,911	3,078,975	3,141,346	3,043,054	3,105,970
Target Fund Balance <sup>7</sup>	3,358,201	3,391,783	3,391,783	3,406,459	3,440,524	3,440,524	3,440,524
Target Fund Balance <sup>7</sup>	6,716,402	6,783,566	6,783,566	6,812,919	6,881,048	6,881,048	6,881,048

**Financial Plan Notes:**

<sup>1</sup> The 2010 Actuals are from the 2010 CAFR or 14th Month ARMS/IBIS.

<sup>2</sup> The 2011 Estimated is based on annualized revenue and expenditure reports and central rates updated.

<sup>3</sup> The 2012 and 2013 Projected are based on

a) Assumes 0.55% and 1.46% annual percentage rate on investment earnings.

b) Assumes sale of equipment is 12% of annual capital expenditures.

c) Assumes 5% annual increase in miscellaneous revenues as well as in operating and maintenance costs.

d) Capital expenditures are based on established replacement standards for each type of vehicle.

e) Allowance for inventory is equal to inventory value at the beginning of each year per CAFR. Estimated to increase 3% per year.

f) Contingency for capital improvement is estimated at 3% of annual revenues.

<sup>4</sup> Estimated Underexpenditures equal 6% of 2011 adopted expenditures.

<sup>5</sup> Contingency for Capital Improvements is not included in the Ending Fund Balance

<sup>6</sup> This charge represents the estimated debt service for the Accountable Business Transformation (ABT) Program which begins in 2013 and runs for ten

<sup>7</sup> Target fund balance is based on the County Auditor's recommendation; equal to a range of 10% to 20% of the Projected Fleet Replacement Cost (PFR).

Use this page for notes.

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## Independent Agencies

## ***BOUNDARY REVIEW BOARD***

### ***Mission:***

#### **Boundary Review Board**

In accordance with the Revised Code of Washington (RCW 36.93.010) the Boundary Review Board serves as an independent, quasi-judicial entity to provide a method of guiding and controlling the creation and growth of municipalities in metropolitan areas so that residents and businesses may rely on the logical growth of local government.

### ***OVERVIEW***

The Boundary Review Board (BRB) is an independent, quasi-judicial agency established by state mandate which provides review of proposals for boundary changes by cities, fire districts, and water/sewer districts within King County, including city or district annexations, new city incorporations, and district mergers. In the case of new city incorporations, the Board oversees preparation of an impartial consultant study to assess the financial feasibility of the proposed new city. Following completion of the study, the Board holds a public hearing, establishes final boundaries, and makes a recommendation to the voters, who make the final decision in an election on the incorporation. BRB is driven by work aimed to “transition the governance and fiscal responsibility for local services in urban and unincorporated areas to cities,” which is incorporated in the King County Strategic Plan’s (KCSP) Financial Stewardship

goal, Objective 1.c., giving the core service of the BRB clear alignment with the KCSP. The fiscal effect is the transfer of budget responsibility from the County to other more resource appropriate jurisdictions.

A primary duty of the Board is to oversee the public review of each notice of intention for creation of or change to jurisdictional boundaries. Therefore, the Board has as an integral commitment and support of the KCSP Public Engagement Goal, Objective 1: Expand opportunities to seek input, listen and respond to residents, and Objective 2: Empower people to play an active role in shaping their future. Public review opportunities are provided through a number of outreach tools, including public notification, access to the website and other informational materials; and participation in public meetings and public hearings before the BRB.

### **2012 Key Issues**

**Transition of Urban Unincorporated Lands to Local Government** - The State Growth Management Act encourages transition of urban unincorporated lands to local jurisdictions. The majority of King County’s local jurisdictions have adopted comprehensive plans (including potential annexation areas) and consistent development regulations that permit the incorporation or annexation of unincorporated urban areas. The workload of the BRB is driven by applications by local jurisdictions for incorporations and annexations when citizens in those areas petition to join the jurisdiction and when the jurisdiction can provide sufficient resources to govern and serve the incoming populace.

## HOW WE DELIVER

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**Product Development** - For the 2012 Budget, BRB staff worked in collaboration with PSB to develop distinct products to articulate its services. The refinement of its products, decision reports, and development of metrics is a continuing body of work which may impact how the BRB budget is articulated and reviewed in future years.

### **Executive Priorities as considered in 2012 Business Planning and Budget Development**

The Executive's priorities, as expressed in the 2012 Proposed Budget, are to advance the Equity and Social Justice Initiative; ensure that goals objectives, and services are aligned with the King County Strategic Plan; and achieve efficiency savings of three percent while maintaining current service levels. OEM's 2012 Proposed Budget supports these priorities in the following ways:

**Equity and Social Justice** - The BRB addresses equity and social justice needs by providing all members of a community with notification of and opportunities to participate in both public review and implementation of each notice to create/change jurisdictional boundaries. Specifically, BRB translates meeting notices into appropriate languages to address diverse populations of potential annexation areas, and ensures that ADA accessible facilities and interpreters are available to assist customers and stakeholders.

**3 Percent Efficiency Goal** - The BRB plans to achieve efficiencies by more vigorously publicizing, promoting and providing services for its enhanced Application Planning Services Program (APSP) to regional and local governments. The APSP provides guidance to local jurisdictions and other stakeholders on legal requirements, technical, fiscal, and infrastructure standards, tools for assessment of a proposed action, and procedural guidance. BRB plans to promote the APSP by including it on its website, making specific invitations to participate in APSP to jurisdictions and communities, and general outreach communication to relevant groups.

**2012 Proposed Budget for  
Boundary Review Board 0010/0630**

Code/ Item#	Description	Expenditures	FTEs *	TLTs
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	336,789	2.00	0.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	2,876	0.00	0.00
<b>Efficiency Reductions</b>				
ER44	Agency Efficiency Credits for FMD O & M Charges	(15,744)	0.00	0.00
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(1,272)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(84)	0.00	0.00
CR08	Technology Services Infrastructure Charge	888	0.00	0.00
CR09	Geographic Information Systems Charge	16	0.00	0.00
CR10	KCIT Operations Charge/Rebate	157	0.00	0.00
CR11	Telecommunications Services	(49)	0.00	0.00
CR12	Telecommunications Overhead	(42)	0.00	0.00
CR13	Motor Pool Rate Adjustment	(228)	0.00	0.00
CR14	Facilities Management Space Charge	1,953	0.00	0.00
CR22	Long Term Leases	25,091	0.00	0.00
CR25	Financial Service Charges	141	0.00	0.00
CR26	Retirement Rate Adjustment	389	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(132)	0.00	0.00
CR36	Property Services Lease Administration Fee	343	0.00	0.00
CR37	Facilities Management Strategic Initiative	3	0.00	0.00
CR44	DES LAN Administration Costs	542	0.00	0.00
CR48	Business Resource Center	1,199	0.00	0.00
		<b>28,915</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA35	1.5 Percent Underexpenditure Adjustment	(39)	0.00	0.00
TA39	COLA Adjustment	(310)	0.00	0.00
		<b>(349)</b>	<b>0.00</b>	<b>0.00</b>
<b>2012 Proposed Budget</b>		<b>352,487</b>	<b>2.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

### Boundary Review Board

#### ***PROGRAM HIGHLIGHTS***

The total 2012 Proposed Budget for the Boundary Review Board is \$352,487 with funding for 2.00 FTEs. This budget increases expenditures by \$15,698 from the 2011 Adopted levels in association with increased employee benefits and intergovernmental service costs.

#### **Adjustments to the 2011 Adopted Budget**

Adjustments to the 2011 Adopted Budget were made to incorporate inflation in labor and other select operating costs. All of the adjustments result in a net increase of \$2,876 from the 2011 Adopted Budget.

#### **Efficiency Reductions**

**Building Occupancy Efficiency Reduction – (\$15,744).** In 2012 the Boundary Review Board, in collaboration with Facilities Management, will consolidate space and move staff from the Yesler building to vacant space in another County owned building. The agency's occupied square footage is anticipated to decrease by 1,301 square feet, which equates to a reduction of \$15,744 in Facilities operations and maintenance charges.

#### **Central Rate Changes**

**Central Rate Adjustments – \$28,915.** This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in an increase in charges. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

#### **Technical Adjustment**

**1.5 Percent Underexpenditure Adjustment – (\$39).** In the 2012 proposed budget, the required underexpenditure rate for General Fund (GF) agencies is equal to 2 percent of expenditures that are not backed by specific contractual revenues. Of the required underexpenditure, 1.5 percent has been reduced from GF operating budgets to directly budget for assumed underexpenditure levels. A remaining central underexpenditure of one half of one percent is held in the GF Financial Plan, for a total assumption of 2 percent. Departments are expected to manage their appropriations to achieve the underexpenditure.

**COLA – (\$310).** This amount reflects the change from the preliminary Office of Economic and Financial Analysis forecast for Cost of Living Adjustment (COLA), which was 1.77 percent, to the final 2012 COLA rate of 1.63 percent.

## *OFFICE OF ECONOMIC AND FINANCIAL ANALYSIS*

***Mission:***

**Office of Economic and Financial  
Analysis**

To promote wise management of the King County budget by providing reliable, accurate, and objective economic and revenue forecasts and by contributing to the understanding of the effects of current and future economic conditions on County finances.

### ***OVERVIEW***

The Office of Economic and Financial Analysis (OEFA), fully operational since 2010, is an independent agency of King County. The office provides accountability to the public through the production of independent, objective, and transparent economic and revenue forecasts. These official forecasts form the basis for the County's budgeting process. The office promotes prudent management of the King County budget by providing County decision makers with reliable, accurate, and objective economic and revenue forecasts. The OEFA is directed by the Chief Economist who reports to the Forecast Council. The Forecast Council is composed of the County Executive, two County Council members, and one individual with knowledge of the budgeting process appointed by the County Executive.

The office's work products and outreach promotes a growing and diverse King County economy by providing vital information that facilitates the wise use of County resources within the context of an unpredictable and ever-changing regional economy. In addition, the OEFA advances public engagement by making the office's work accessible not only to offices within King County, but also to the community via the Web and the Regional Forecasting Forum.

### **2012 Key Issues**

#### **Expanded Work Plan**

The quantity and variety of deliverables for which the OEFA is responsible has increased significantly since the office began operations in 2009. As the OEFA staff improves processes and refines performance metrics, the office will achieve efficiencies that make this expansion of work feasible within the office's existing budget.

#### **Developing Metrics to Measure Productivity**

Further developing and refining methods to measure its work products and the quality of forecasts will help demonstrate that the office is realizing efficiencies and helping to achieve its mission. In a period of economic unpredictability, this is especially important as a gauge for the quality of forecasts.



### **Executive Priorities in 2012 Business Planning and Budget Development**

The Executive's priorities, as expressed in the 2012 Proposed Budget, are to advance the Equity and Social Justice Initiative; ensure that goals objectives, and services are aligned with the King County Strategic Plan; and achieve efficiency savings of three percent while maintaining current service levels. OEM's 2012 Proposed Budget supports these priorities in the following ways:

**Equity and Social Justice** – While the economic downturn affects the region in several ways, the consequences for disadvantaged populations are disproportionately grim. The OEFA proposes to integrate the dimensions of ethnicity and income in analyses of the King County economic outlook. Some of the determinants of equity that OEFA currently tracks include:

- Economic development;
- Availability of affordable housing; and
- Employment.

By researching and reporting on the impact of current and forecasted economic conditions on determinants of equity, the OEFA will provide insight into the extent of inequitable impacts.

**3 Percent Efficiency Goal** – The OEFA proposes to address the three percent efficiency goal by accomplishing more work with the same baseline level of resources in its budget. In 2012, its third full year of operation, the office expects to expand the OEFA work plan. The Program Highlights section presents details about the planned 2012 work items.

In 2010, the County realized a return of nearly \$175,000 in foregone sales tax revenue as a result of the Miscoded Parcels Project that OEFA conducted. The office expects the project to yield a return to the County of an additional \$100,000 in 2011. The office anticipates utilizing existing staff in OEFA and PSB to continue the audit effort, identifying additional revenue for the General Fund in 2012.

## 2012 Proposed Budget for

### Office of Economic and Financial Analysis 0010/0087

Code/ Item#	Description	Expenditures	FTEs *	TLTs
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	345,604	2.50	0.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	2,090	0.00	0.00
<b>Efficiency Reductions</b>				
ER01	Take on Additional Work Load within Existing Resources	0	0.00	0.00
ER02	Miscoded Parcels Project (Expected Revenue \$40,000 - \$100,000)	0	0.00	0.00
		<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(1,590)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	4,148	0.00	0.00
CR08	Technology Services Infrastructure Charge	(59)	0.00	0.00
CR09	Geographic Information Systems Charge	45	0.00	0.00
CR10	KCIT Operations Charge/Rebate	(4,303)	0.00	0.00
CR11	Telecommunications Services	(34)	0.00	0.00
CR12	Telecommunications Overhead	(32)	0.00	0.00
CR14	Facilities Management Space Charge	762	0.00	0.00
CR25	Financial Service Charges	1,879	0.00	0.00
CR26	Retirement Rate Adjustment	517	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(155)	0.00	0.00
CR37	Facilities Management Strategic Initiative	2	0.00	0.00
CR44	DES LAN Administration Costs	7,385	0.00	0.00
CR48	Business Resource Center	1,247	0.00	0.00
		<b>9,812</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA01	Correct Assistant Economist Salary	2,176	0.00	0.00
TA35	1.5 Percent Underexpenditure Adjustment	42	0.00	0.00
TA39	COLA Adjustment	(391)	0.00	0.00
TA40	Merit Adjustment	(53)	0.00	0.00
		<b>1,774</b>	<b>0.00</b>	<b>0.00</b>
<b>2012 Proposed Budget</b>		<b>359,280</b>	<b>2.50</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

### Office of Economic and Financial Analysis

#### ***PROGRAM HIGHLIGHTS***

The 2012 Proposed Budget for the OEFA is \$359,280 and includes funding for 2.50 FTEs.

#### **Adjustments to the 2011 Adopted Budget**

Adjustments to the 2011 Adopted Budget were made to incorporate inflation in labor of \$2,340 and other select operating cost. All of the adjustments result in a net increase of \$2,090 from the 2011 Adopted Budget.

#### **Efficiency Changes**

**Take On Additional Work Load within Existing Resources - (\$0).** The OEFA proposes to do additional items per its work plan for 2012 with the same 2011 baseline of resources. These items include:

- establishing a forecast advisory board;
- overseeing and assisting with additional revenue forecasts;
- assisting with alternate approaches to hedging price risk of fuel and estimated discount rate;
- providing a final forecast revision prior to release of the Executive budget and three working sessions;
- maintaining the website and establishing a blog; and
- providing information on ESJ determinants, participating in the Interbranch Team for ESJ and raising ESJ visibility.

**Miscoded Parcels Project - \$0 (Expected Revenue \$40,000 - \$100,000).** As part of doing additional work with the same 2011 baseline of resources, the OEFA proposes to continue as needed the Miscoded Parcels Project in cooperation with PSB. The current annual revenue recovery estimate is \$40,000 to \$100,000, which will be accounted for in the General Fund as a part of the 2012 revenue forecast. The extent to which this project will yield additional income in 2012 is not known.

#### **Central Rate Changes**

**Central Rate Adjustments - (\$9,812)** . This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in a net increase in charges. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

### **Technical Adjustments**

**Correct Assistant Economist Salary - (\$2,176).** This technical adjustment aligns the Assistant Economist position with updated payroll information for 2012 baseline salaries.

**1.5 Percent Underexpenditure Adjustment – \$42.** In the 2012 proposed budget, the required underexpenditure rate for General Fund (GF) agencies is equal to 2 percent of expenditures that are not backed by specific contractual revenues. Of the required underexpenditure, 1.5 percent has been reduced from GF operating budgets to directly budget for assumed underexpenditure levels. A remaining central underexpenditure of one half of one percent is held in the GF Financial Plan, for a total assumption of 2 percent. Departments are expected to manage their appropriations to achieve the underexpenditure.

**COLA - (\$391).** This amount reflects the change from the preliminary Office of Economic and Financial Analysis forecast for Cost of Living Adjustment (COLA), which was 1.77 percent, to the final 2012 COLA rate of 1.63 percent.

**Merit Adjustment – (\$53).** Merit was calculated based on 2.4 percent of all salaries for 2012.

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**2012 Proposed Budget for****Byrne Justice Assistance FFY10 Grant 2165/0521**

<b>Code/ Item#</b>	<b>Description</b>	<b>Expenditures</b>	<b>FTEs *</b>	<b>TLTs</b>
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	305,931	0.00	0.00
<b>Technical Adjustments</b>				
TA01	Remove Appropriation Authority for 2012	(305,931)	0.00	0.00
<b>2012 Proposed Budget</b>		<b>0</b>	<b>0.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

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**2012 Proposed Budget for****Byrne Justice Assistance FFY11 Grant 2166/0523**

<b>Code/ Item#</b>	<b>Description</b>	<b>Expenditures</b>	<b>FTEs *</b>	<b>TLTs</b>
<b>Revenue Backed Changes</b>				
RB01	2011 Byrne Justice Assistance Grant	242,692	0.00	0.00
<b>2012 Proposed Budget</b>		<b>242,692</b>	<b>0.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

**2012 Proposed Budget for  
Citizen Councilor Network 1240/0506**

Code/ Item#	Description	Expenditures	FTEs *	TLTs
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	140,511	1.10	0.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	(2,206)	0.00	0.00
<b>Central Rate Changes</b>				
CR07	Technology Services Operations & Maintenance Charge	12	0.00	0.00
CR08	Technology Services Infrastructure Charge	134	0.00	0.00
CR10	KCIT Operations Charge/Rebate	87	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(60)	0.00	0.00
CR37	Facilities Management Strategic Initiative	(38)	0.00	0.00
		<b>135</b>	<b>0.00</b>	<b>0.00</b>
<b>2012 Proposed Budget</b>		<b>138,440</b>	<b>1.10</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

**2012 Proposed Budget for  
State Auditor 0010/0610**

Code/ Item#	Description	Expenditures	FTEs *	TLTs
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	807,296	0.00	0.00
<b>Central Rate Changes</b>				
CR11	Telecommunications Services	(61)	0.00	0.00
CR12	Telecommunications Overhead	(63)	0.00	0.00
		<b>(124)</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
ta01	Adjustment for Hourly Increase in State Audit Charges	65,000	0.00	0.00
<b>2012 Proposed Budget</b>		<b>872,172</b>	<b>0.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.



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## Administrative Agencies

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**2012 Proposed Budget for  
Executive Contingency 0010/0655**

<b>Code/ Item#</b>	<b>Description</b>	<b>Expenditures</b>	<b>FTEs *</b>	<b>TLTs</b>
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	100,000	0.00	0.00
<b>Technical Adjustments</b>				
TA01	Eliminate Budget Appropriation for Executive Contingency	(100,000)	0.00	0.00
<b>2012 Proposed Budget</b>		<b>0</b>	<b>0.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

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**2012 Proposed Budget for  
Federal Lobbying 0010/0645**

<b>Code/ Item#</b>	<b>Description</b>	<b>Expenditures</b>	<b>FTEs *</b>	<b>TLTs</b>
<hr/>				
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	368,000	0.00	0.00
		<hr/>		
<b>2012 Proposed Budget</b>		<b>368,000</b>	<b>0.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

**2012 Proposed Budget for  
General Government GF Transfers 0010/0695**

Code/ Item#	Description	Expenditures	FTEs *	TLTs
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	3,073,373	0.00	0.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	(185,897)	0.00	0.00
<b>Technical Adjustments</b>				
TA01	Microsoft Enterprise License Agreements	32,659	0.00	0.00
TA02	Animal Service GF Transfer	363,664	0.00	0.00
		<b>396,323</b>	<b>0.00</b>	<b>0.00</b>
<b>2012 Proposed Budget</b>		<b>3,283,799</b>	<b>0.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

**2012 Proposed Budget for  
Grants 2140/2140**

Code/ Item#	Description	Expenditures	FTEs *	TLTs
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	21,257,683	72.60	9.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	(357,763)	0.00	0.00
<b>Revenue Backed Changes</b>				
RB01	0203 Sheriff's Office - Authority for New Grants	952,000	0.00	0.00
RB02	0403 DES - Authority for New Grants	8,297,880	0.00	0.00
RB03	0503 Prosecutor - Authority for New Grants	350,000	0.00	0.00
RB04	0513/0574 Superior Court - Authority for New Grants	4,965,941	0.00	0.00
RB05	0543 DJA - Authority for New Grants	148,500	0.00	0.00
RB06	0953 OPD - Authority for New Grants	1,724,086	0.00	0.00
RB07	0933 Grants Contingency - Authority for New Grants	3,000,000	0.00	0.00
		<b>19,438,407</b>	<b>0.00</b>	<b>0.00</b>
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(34,320)	0.00	0.00
CR02	Sheriff Medical Benefits	(3,072)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	231	0.00	0.00
CR08	Technology Services Infrastructure Charge	(7,601)	0.00	0.00
CR10	KCIT Operations Charge/Rebate	1,130	0.00	0.00
CR13	Motor Pool Rate Adjustment	(2,444)	0.00	0.00
CR25	Financial Service Charges	(31,171)	0.00	0.00
CR26	Retirement Rate Adjustment	14,241	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(6,718)	0.00	0.00
CR28	Equipment Repair and Replacement	5,210	0.00	0.00
CR37	Facilities Management Strategic Initiative	55	0.00	0.00
CR48	Business Resource Center	22,390	0.00	0.00
		<b>(42,069)</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA01	Staffing Adjustments	(589,465)	(9.50)	(2.00)
TA02	Adjust Contingency Reserve	(21,257,683)	0.00	0.00
TA03	Expenditure Adjustment	1,001,343	0.00	0.00
TA39	COLA Adjustment	(12,046)	0.00	0.00
TA50	Revenue Adjustment (\$1,819,276)	0	0.00	0.00
		<b>(20,857,851)</b>	<b>(9.50)</b>	<b>(2.00)</b>
<b>2012 Proposed Budget</b>		<b>19,438,407</b>	<b>63.10</b>	<b>7.00</b>

\* FTEs do not include temporaries or overtime.

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**2012 Proposed Budget for  
Internal Support 0010/0656**

Code/ Item#	Description	Expenditures	FTEs *	TLTs
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	8,424,002	0.00	0.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	1,095,964	0.00	0.00
<b>Efficiency Reductions</b>				
ER01	Reduce Unemployment Budget	(735,577)	0.00	0.00
<b>Central Rate Changes</b>				
CR14	Facilities Management Space Charge	1,278,453	0.00	0.00
CR15	Insurance Charges	1,824,641	0.00	0.00
CR22	Long Term Leases	44,885	0.00	0.00
CR25	Financial Service Charges	(46,621)	0.00	0.00
CR36	Property Services Lease Administration Fee	2,761	0.00	0.00
CR38	Major Maintenance Repair Fund	(128,610)	0.00	0.00
CR48	Business Resource Center	1,452	0.00	0.00
CR49	Weapons Screening	13,392	0.00	0.00
		<b>2,990,353</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustments</b>				
TA01	Adjust Employee Transportation Program	(2,943)	0.00	0.00
TA02	Transfer Treasury Charges to Internal Support	3,461,564	0.00	0.00
		<b>3,458,621</b>	<b>0.00</b>	<b>0.00</b>
<b>2012 Proposed Budget</b>		<b>15,233,363</b>	<b>0.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

**2012 Proposed Budget for  
Memberships and Dues 0010/0650**

Code/ Item#	Description	Expenditures	FTEs *	TLTs
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	161,250	0.00	0.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	448,951	0.00	0.00
<b>Technical Adjustments</b>				
TA01	Adjust Puget Sound Regional Council Dues for 2012	(7,997)	0.00	0.00
<b>2012 Proposed Budget</b>		<b>602,204</b>	<b>0.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

## ***INDEPENDENT AGENCIES***

### **Administrative Agencies and Transfers**

This section covers a group of cost centers that do not belong to any one particular department. Budgets in this category include the State Auditor, Internal Support, General Government Fund Transfers and Grant Funds. Listed below are the 2012 Proposed Budgets for these agencies.

#### **Byrne Justice Assistance Grant (JAG) FFY 2011 – \$ 242,692.**

In 2012, King County will receive \$242,692 from the Department of Justice through the Byrne JAG program. Funding from this grant will support the ComCor Technology Stabilization Project for the Community Corrections Division of the Department of Adult and Juvenile Detention. Funds remaining from 2012 will be carried over into 2013 through a carryover ordinance.

#### **Citizen Councilor Network – \$138,440.**

The Citizen Counselor Network fund is fully revenue backed by citizen donations. The appropriation for 2012 is \$138,440 to fund 1.10 FTEs to staff the Countywide Community Forums.

#### **State Auditor – \$872,172.**

The State Auditor's 2012 budget increased due primarily to a 6.5 percent increase in the hourly rate that the State will bill the County and continued audit costs due to federal stimulus grant awards. The grant audit costs are recovered from agencies receiving federal grant awards, including stimulus grant awards.

#### **Executive Contingency – \$0.**

In 2012 the appropriation for Executive Contingency of \$100,000 in the General Fund is eliminated. Contingencies are identified and funds are held in reserve in the Proposed and Adopted General Fund financial plan.

#### **Federal Lobbying - \$368,000.**

The 2012 Proposed Budget to fund Federal Lobbying remains at \$368,000.

#### **General Government General Fund (GF) Transfers – \$3,283,799.**

The 2012 proposed budget includes a transfer of \$45,422 to the Facilities Management Division (FMD) to support homeless shelter security, \$1,287,276 to the Information Technology Services fund to support the Enterprise Licensing Agreement and \$1,951,101 to support Regional Animal Services.

#### **Grants Fund – \$19,438,407 / 63.10 FTEs / 7.00 TLTs.**

King County is projected to receive an estimated \$19 million into the Miscellaneous Grants Fund in 2012. Existing grants with funds remaining from 2011 will be carried over into 2012 through a carryover ordinance.

#### **Internal Support – \$15,233,363.**

The Internal Support budget includes charges that are paid centrally on behalf of General Fund agencies. In 2012 significant changes include the addition of mothball costs related to vacant space as a byproduct of space consolidation, the consolidation of Treasury charges formerly budgeted in a separate General Fund appropriation, the reduction of \$736,000 in unemployment benefits, the zeroing-out of contras in the 2011 Adopted Budget, and adjustments to central rates.



## HOW WE DELIVER

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### **Memberships and Dues – \$602,204.**

This appropriation includes support to fund the County's membership in the Puget Sound Regional Council, National Association of Counties, Washington Association of County Officials, Washington Association of Counties, and EnterpriseSeattle. The 2012 budget is decreased by \$7,997 reflects a decrease in the Puget Sound Regional Council dues based on population reduction due to annexations. The table below provides detail for each membership.

Puget Sound Regional Council	\$ 43,253
National Association of Counties	\$ 34,875
Washington Association of County Officials	\$190,800
Washington Association of Counties	\$223,276
enterpriseSeattle	\$110,000
Total Memberships and Dues	\$602,204

# HOW WE DELIVER STRATEGIC PLAN AREA

	2010 ADOPTED		2011 ADOPTED		2012 PROPOSED	
	EXPENDITURES	FTEs	EXPENDITURES	FTEs	EXPENDITURES	FTEs
<b>LEGISLATIVE AGENCIES</b>						
COUNTY COUNCIL	\$ 5,357,694	57.00	\$ 2,390,220	18.00	\$ 1,587,015	9.00
COUNCIL ADMINISTRATION	8,361,400	54.10	11,075,157	85.10	12,450,980	94.10
COUNTY AUDITOR	1,576,130	16.90	1,530,258	16.90	1,639,308	16.90
BOARD OF APPEALS	704,407	4.00	675,082	4.00	709,278	4.00
CITIZEN COUNCILOR NETWORK	137,098	1.10	140,511	1.10	138,440	1.10
HEARING EXAMINER	608,059	5.00	558,696	4.00	549,243	4.00
KING COUNTY CIVIC TELEVISION	625,502	6.00	563,909	5.00	577,574	5.00
OFFICE OF LAW ENFORCEMENT OVERSIGHT	357,042	4.00	335,344	4.00	354,531	4.00
OMBUDSMAN/TAX ADVISOR	1,146,556	10.00	1,214,740	10.00	1,133,492	10.00
	<b>18,873,888</b>	<b>158.10</b>	<b>18,483,917</b>	<b>148.10</b>	<b>19,139,861</b>	<b>148.10</b>
<b>COUNTY EXECUTIVE AGENCIES</b>						
COUNTY EXECUTIVE	322,596	2.00	327,411	2.00	243,932	1.00
OFFICE OF THE COUNTY EXECUTIVE	3,635,504	23.00	3,665,744	24.00	4,257,373	25.00
OFFICE OF LABOR RELATIONS	-	-	2,077,697	14.50	2,260,772	15.50
OFFICE OF PERFORMANCE, STRATEGY AND BUDGET	4,299,664	31.00	6,521,872	45.00	7,104,511	48.00
OFFICE OF STRATEGIC PLANNING AND PERFORMANCE MGMT	3,587,019	25.00	-	-	-	-
	<b>11,844,783</b>	<b>81.00</b>	<b>12,592,724</b>	<b>85.50</b>	<b>13,866,588</b>	<b>89.50</b>
<b>ASSESSMENTS</b>						
ASSESSMENTS	20,018,180	224.00	21,243,286	208.00	21,778,926	212.00
	<b>20,018,180</b>	<b>224.00</b>	<b>21,243,286</b>	<b>208.00</b>	<b>21,778,926</b>	<b>212.00</b>
<b>ELECTIONS</b>						
ELECTIONS	18,440,771	63.00	17,655,974	62.00	19,957,022	64.00
	<b>18,440,771</b>	<b>63.00</b>	<b>17,655,974</b>	<b>62.00</b>	<b>19,957,022</b>	<b>64.00</b>
<b>EXECUTIVE SERVICES</b>						
EXECUTIVE SERVICES - ADMINISTRATION	2,839,068	20.00	3,249,777	22.50	3,519,464	17.50
BUSINESS RESOURCE CENTER	-	-	4,122,739	19.83	8,652,978	41.00
DES IT EQUIPMENT REPLACEMENT	468,272	-	374,695	-	364,087	-
FACILITIES MGMT INTERNAL SERVICE	46,808,611	329.76	47,465,129	328.50	45,930,125	320.25
REAL ESTATE SERVICES	3,667,343	27.00	3,667,229	26.00	3,798,707	23.00
FINANCE AND BUSINESS OPERATIONS	30,320,217	195.50	28,606,239	192.66	26,846,212	176.66
FINANCE - GF	3,902,998	-	2,830,672	-	-	-
HUMAN RESOURCES MANAGEMENT	8,345,572	57.50	5,284,671	35.75	5,722,405	36.00
SAFETY AND CLAIMS MANAGEMENT	35,685,728	29.00	36,944,719	29.00	36,817,841	29.00
EMPLOYEE BENEFITS	221,547,877	12.00	243,235,732	12.00	225,069,445	12.00
RECORDS AND LICENSING SERVICES	10,928,072	113.83	7,519,116	68.00	8,906,813	78.50
RECORDER'S OPERATION AND MAINTENANCE	2,769,191	8.50	2,089,001	8.50	2,234,703	6.50
REGIONAL ANIMAL SERVICES OF KING COUNTY	-	-	6,983,091	44.50	6,813,225	49.18
ANIMAL BEQUEST	-	-	200,000	-	200,000	-
RISK MANAGEMENT	25,917,173	22.00	27,006,526	21.00	27,940,468	20.00
	<b>393,200,122</b>	<b>815.09</b>	<b>419,579,336</b>	<b>808.24</b>	<b>402,816,473</b>	<b>809.59</b>
<b>KING COUNTY INFORMATION TECHNOLOGY (KCIT)</b>						
KCIT STRATEGY AND PERFORMANCE	6,198,129	27.00	4,039,792	27.00	3,822,801	26.00
CABLE COMMUNICATIONS	329,641	1.00	297,723	1.00	304,509	1.00
GEOGRAPHIC INFORMATION SYSTEMS	4,382,631	28.00	4,572,242	27.00	5,405,053	28.00
I-NET OPERATIONS	3,406,106	8.00	2,924,237	8.00	2,901,537	8.00
KCIT SERVICES	27,499,996	120.00	26,308,163	111.00	60,403,976	323.25
TELECOMMUNICATIONS	2,593,582	8.00	1,827,495	8.00	-	-
	<b>44,410,085</b>	<b>192.00</b>	<b>39,969,652</b>	<b>182.00</b>	<b>72,837,876</b>	<b>386.25</b>
<b>TRANSPORTATION*</b>						
EQUIPMENT REPAIR AND REPLACEMENT	27,224,886	56.00	27,224,886	56.00	26,644,796	56.00
MOTOR POOL EQUIPMENT RENTAL AND REVOLVING	25,298,387	19.00	25,298,387	19.00	25,417,441	19.00
WASTEWATER EQUIPMENT RENTAL AND REVOLVING	9,385,121	-	9,385,121	-	8,433,074	-
	61,908,394	75.00	61,908,394	75.00	60,495,311	75.00
<b>INDEPENDENT AGENCIES</b>						
BOUNDARY REVIEW BOARD	328,012	2.00	336,789	2.00	352,487	2.00
DISTRICTING COMMITTEE	-	-	280,000	-	25,000	-
OFFICE OF ECONOMIC AND FINANCIAL ANALYSIS	308,902	2.50	345,604	2.50	359,280	2.50
STATE AUDITOR	807,227	-	807,296	-	872,172	-
	<b>1,444,141</b>	<b>4.50</b>	<b>1,769,689</b>	<b>4.50</b>	<b>1,608,939</b>	<b>4.50</b>
<b>ADMINISTRATIVE AGENCIES</b>						
EXECUTIVE CONTINGENCY	100,000	-	100,000	-	-	-
FEDERAL LOBBYING	368,000	-	368,000	-	368,000	-
GRANTS	32,306,755	73.80	21,257,683	72.60	19,438,407	63.10
2009 ARRA BYRNE JUSTICE ASST GRANT	1,179,446	-	-	-	-	-
BYRNE JUSTICE ASST FFY09 GRANT	279,502	-	-	-	-	-
2010 BYRNE JUSTICE ASSIST	-	-	305,931	-	-	-
FFY11 BYRNE JUSTICE ASST GRANT	-	-	-	-	242,692	-
INTERNAL SUPPORT	7,782,733	-	8,424,002	-	15,233,363	-
MEMBERSHIPS AND DUES	426,757	-	161,250	-	602,204	-
CIP GF TRANSFERS	8,826,034	-	9,007,712	-	10,726,167	-
GENERAL GOVERNMENT GF TRANSFERS	940,893	-	3,073,373	-	3,283,799	-
OMB/DUNCAN/ROBERTS LAWSUIT ADMINISTRATION	243,059	-	50,000	-	-	-
OMB/2006 FUND	250,000	-	50,000	-	-	-
	<b>52,703,179</b>	<b>73.80</b>	<b>42,797,951</b>	<b>72.60</b>	<b>49,894,632</b>	<b>63.10</b>
<b>TOTAL HOW WE DELIVER SERVICES</b>	<b>\$ 622,843,543</b>	<b>1,686.49</b>	<b>\$ 636,000,923</b>	<b>1,645.94</b>	<b>\$ 662,395,628</b>	<b>1,852.04</b>

Emergency Management division of Executive Services is reported out under the Justice and Safety section of the budget book. H - 208

\*Department of Transportation (DOT) is a biennial budget for 2010/2011 and DOT and DDES are a biennial budget for 2012/2013.

**How We Deliver  
by Budget Transparency Section**

APPRO NAME      SECTION NAME		2012 Proposed Expenditures	2012 Proposed Revenues	2012 Proposed FTEs	2012 Proposed TLTs
01 Legislative Agencies					
0010	County Council				
	0010.6661      Council District 1	176,335		1.00	
	0010.6662      Council District 2	176,335		1.00	
	0010.6663      Council District 3	176,335		1.00	
	0010.6664      Council District 4	176,335		1.00	
	0010.6665      Council District 5	176,335		1.00	
	0010.6666      Council District 6	176,335		1.00	
	0010.6667      Council District 7	176,335		1.00	
	0010.6668      Council District 8	176,335		1.00	
	0010.6669      Council District 9	176,335		1.00	
	County Council Total	1,587,015		9.00	
0020	Council Administration				
	0020.1043      Council Administration Analytical Staff	3,934,918		27.00	1.00
	0020.1046      Council Administrative and Legal Support	4,526,701		22.10	1.00
	0020.6673      District Support and Constituent Services	3,989,361		45.00	
	Council Administration Total	12,450,980		94.10	2.00
0030	Hearing Examiner	549,243		4.00	
0040	County Auditor				
	0040.1045      Financial and Performance Audits	1,636,044		13.20	2.00
	0040.6670      Auditor Capital Project Oversight	3,264		3.70	
	County Auditor Total	1,639,308		16.90	2.00
0050	Ombudsman/Tax Advisor				
	0050.1047      Tax Advisor	195,386		2.00	
	0050.1048      Ombudsman	938,106		8.00	
	Ombudsman/Tax Advisor Total	1,133,492		10.00	
0060	King County Civic Television	577,574		5.00	
0070	Board of Appeals	709,278		4.00	
0085	Office of Law Enforcement Oversight	354,531		4.00	
0506	Citizen Councilor Network	138,440	118,554	1.10	
01 Legislative Agencies Total		19,139,861	118,554	148.10	4.00
11 County Executive					
0110	County Executive	243,932		1.00	
0120	Office of the County Executive	4,257,373	454,387	25.00	
0140	Office of Performance, Strategy and Budget	7,104,511		48.00	
0186	Office of Labor Relations	2,260,772		15.50	
11 County Executive Total		13,866,588	454,387	89.50	
14 KCIT Information Technology					
0432	KCIT Services	60,403,976	59,536,167	323.25	3.00
0437	Cable Communications	304,509	2,381,604	1.00	
0490	I-Net Operations	2,901,537	2,659,632	8.00	
1550M	KCIT Strategy and Performance	3,822,801	4,244,480	26.00	1.00
3180M	Geographic Information Systems	5,405,053	5,212,130	28.00	1.00
14 KCIT Information Technology Total		72,837,876	74,034,013	386.25	5.00
40 Executive Services					
0023	DES Equipment Replacement	364,087	390,596		
0138	Finance and Business Operations				
	0138.6800M      Director's Office and Support	6,588,626	24,209,320	8.00	
	0138.6810M      Treasury	3,926,156	1,880,000	31.00	
	0138.6820M      Procurement and Contract Services	6,234,185	160,000	48.00	7.00
	0138.6830M      Financial Management	5,852,879	57,470	56.00	
	0138.6850M      Benefit Payroll Retirement Operations	4,244,366	192,884	33.66	4.66
	Finance and Business Operations Total	26,846,212	26,499,674	176.66	11.66
0150	Finance - GF		435,193,899		
0154	Risk Management	27,940,468	31,958,293	20.00	
0187	Business Resource Center	8,652,978	12,738,233	41.00	
0417	Executive Services Administration				
	0417.3091      DES Administration	2,701,528	767,533	12.00	

**How We Deliver  
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			2012	2012	2012	2012
			Proposed	Proposed	Proposed	Proposed
			Expenditures	Revenues	FTEs	TLTs
APPRO NAME	SECTION NAME					
0417	0417.3093	DES Civil Rights	817,936	38,000	5.50	
	Executive Services Administration Total		3,519,464	805,533	17.50	
0420	Human Resources Management					
	0420.3012M	Human Resources Services	3,476,802		17.00	
	0420.3013M	Human Resources Customer Services	2,245,603		19.00	
	Human Resources Management Total		5,722,405		36.00	
0429	Employee Benefits					
	0429.3048M	Benefits Administration	8,273,444	208,928,785	12.00	
	0429.3049M	Insured Benefits	216,796,001	19,844,586		
	Employee Benefits Total		225,069,445	228,773,371	12.00	
0440	Real Estate Services		3,798,707	13,807,633	23.00	
0470	Records and Licensing Services					
	0470.1437	Records Management Mail Services	1,893,301	21,349	16.50	
	0470.1550	RALS Records and Licensing Services	5,709,477	16,558,856	56.00	
	0470.6434	RALS Administration	1,304,035	363,441	6.00	
	Records and Licensing Services Total		8,906,813	16,943,646	78.50	
0471	Recorder's Operation and Maintenance		2,234,703	1,461,303	6.50	
0534	Regional Animal Services of King County		6,813,225	7,005,542	49.18	
0538	Animal Bequest		200,000	200,000		
0601	Facilities Management Internal Service					
	0601.0602	FMD Building Services	36,684,949	2,933,183	272.65	
	0601.0604	FMD Capital Planning	2,992,985	3,488,725	19.00	
	0601.0615	FMD Print Shop	778,106	600,000	3.00	
	0601.5570	FMD Director	5,474,085	38,670,715	25.60	
	Facilities Management Internal Service Total		45,930,125	45,692,623	320.25	
0666	Safety and Claims Management		36,817,841	35,904,309	29.00	
40 Executive Services Total			402,816,473	857,374,655	809.59	11.66
55 Elections						
0535	Elections					
	0535.1421	Elections Administration	4,042,314		12.50	
	0535.1422	Elections Operations	1,535,530	110,000	9.70	
	0535.1423	Ballot Processing and Delivery	1,270,287		13.00	
	0535.1424	Voter Services	2,709,379	2,865,330	17.00	
	0535.1425	Elections Technical Services	2,236,491	1,500	11.80	2.25
	0535.1426	Elections Services	8,163,021	4,571,069		
	Elections Total		19,957,022	7,547,899	64.00	2.25
55 Elections Total			19,957,022	7,547,899	64.00	2.25
67 County Assessor						
0670	Assessments					
	0670.1597	ASM Administration	4,419,860	15,725	21.00	
	0670.1601	ASM Accounting Operations	3,086,287		39.00	
	0670.1606	ASM Information Services	1,661,504		14.00	
	0670.1612	Residential	7,606,830		83.00	
	0670.1618	Commercial - Business	5,004,445		55.00	
	Assessments Total		21,778,926	15,725	212.00	
67 County Assessor Total			21,778,926	15,725	212.00	
70 Transportation						
0137	Wastewater Equipment Rental and Revolving		8,433,074	6,427,257		
0750	Equipment Rental and Revolving		26,644,796	25,345,203	56.00	
0780	Motor Pool Equipment Rental and Revolving		25,417,441	25,393,982	19.00	
70 Transportation Total			60,495,311	57,166,442	75.00	
95 Independent Offices						
0086	Districting Committee		25,000			
0087	Office of Economic and Financial Analysis		359,280		2.50	
0610	State Auditor		872,172			
0630	Boundary Review Board		352,487	2,000	2.00	
95 Independent Offices Total			1,608,939	2,000	4.50	

**How We Deliver  
by Budget Transparency Section**

APPRO NAME      SECTION NAME		2012 Proposed Expenditures	2012 Proposed Revenues	2012 Proposed FTEs	2012 Proposed TLTs
96 Administrative Offices					
0523	Byrne Justice Assistance FFY11 Grant	242,692	242,692		
0645	Federal Lobbying	368,000			
0650	Memberships and Dues	602,204			
0656	Internal Support	15,233,363			
2140	Grants	19,438,407	19,438,407	63.10	7.00
96 Administrative Offices Total		35,884,666	19,681,099	63.10	7.00
97 General Fund Transfers					
0695	General Government GF Transfers	3,283,799			
0699	CIP GF Transfers	10,726,167			
97 General Fund Transfers Total		14,009,966			
Grand Total		662,395,628	1,016,394,774	1,852.04	29.91

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